District park system; without amendment (Rept. No. 1087). Referred to the Committee of the Whole House on the state of the Union.

Mr. SINNOTT: Committee on the Public Lands. S. 3425. An act to continue certain land offices, and for other purposes; with amendments (Rept. No. 1088). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. HICKS: A bill (H. R. 11983) authorizing the acquisition of certain sites for naval aviation stations; to the Committee on Naval Affairs.

By Mr. BARBOUR: Resolution (H. Res. 303) for the immediate consideration of H. R. 7452; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEGG: A bill (H. R. 11984) granting a pension to Jacob Gish; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5971. By Mr. KISSEL: Petition of the Volunteer Officers of the Civil War, Kansas City, urging the passage of House bill 4097; to the Committee on Invalid Pensions.

5972. Also, petition of Thomas B. Felder, Esq., New York City, N. Y., relative to charges made against him in the Senate; to the Committee on the Judiciary.

5973. By Mr. SMITH of Idaho: Resolution adopted by the Idaho State convention of the Knights of Columbus, held at Twin Falls, Idaho, in opposition to the Sterling-Towner bill, to create a department of education, to authorize appropriations for the conduct of said department, to authorize the appropriation of money to encourage the States in the promotion and support of education, and for other purposes; to the Committee on Education.

5974. Also, resolution adopted by the Idaho State convention of the Knights of Columbus, held at Twin Falls, Idaho, in support of claims for compensation by wounded and disabled veterans of the World War; to the Committee on Interstate and Foreign Commerce.

SENATE.

MONDAY, *June 12, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Brandegee	Gooding	McCumber	Sheppard
Bursum	Hale	McKinley	Shortridge
Cameron	Harris	McLean	Simmons
Capper	Harrison	McNary	Smoot
Culberson	Johnson	Myers	Spencer
Curtis	Jones, N. Mex.	Newberry	Sterling
Dial	Jones, Wash.	Nicholson	Underwood
Dillingham	Kendrick	Norbeck	Walsh, Mass.
Ernst	Keyes	Oddie	Walsh, Mont.
Fernald	King	Overman	Watson, Ga.
France	Ladd	Phipps	Watson, Ind.
Gerry.	La Follette	Ransdell	Willis
Glass	McCormick	Rawson	

Mr. CURTIS. I was requested to announce that the Senator from Nebraska [Mr. NORRIS] and the Senator from Alabama [Mr. HEFLIN] are engaged in a hearing before the Committee on Agriculture and Forestry.

Mr. UNDERWOOD. I wish to announce that the senior Senator from Florida [Mr. FLETCHER] is absent on account of illness. I ask that the announcement may stand for the day.

The VICE PRESIDENT. Fifty-one Senators have answered to their names. A quorum is present.

PETITIONS.

Mr. TOWNSEND presented a petition of the Cook & Feldher Co., of Jackson, Mich., praying for the imposition in the pending tariff bill of only a moderate duty on cotton gloves, which was referred to the Committee on Finance.

He also presented petitions of sundry merchants and citizens of Jackson and Grand Rapids, Mich., praying for the imposition in the pending tariff bill of only a moderate duty on kid gloves, which were referred to the Committee on Finance.

He also presented resolutions adopted by members of the faculties of the Central High School and the Junior College, both of Grand Rapids, Mich., favoring the granting of relief to the afflicted peoples of Armenia, Anatolia, and Asia Minor now alleged to be suffering from severe Turkish atrocities, which were referred to the Committee on Foreign Relations.

Mr. WILLIS presented petitions of sundry citizens of Youngstown, Cleveland, Girard, and Sidney, all in the State of Ohio, praying for the imposition in the pending tariff bill of only a moderate duty on cotton gloves, which were referred to the Committee on Finance.

REPORTS OF THE COMMITTEE ON CLAIMS.

Mr. CAPPER, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (H. R. 1723) for the relief of Edward J. Schaefer (Rept. No. 763); and

A bill (H. R. 7695) for the relief of James E. Connors (Rept. No. 764).

He also, from the same committee, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

A bill (S. 162) for the relief of Sarah Shelton (Rept. No. 765); and

A bill (S. 528) for the relief of the widow of Rudolph H. von Ezdorf, deceased (Rept. No. 766).

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED.

Mr. SUTHERLAND, from the Committee on Enrolled Bills, reported that on June 12, 1922, they presented to the President of the United States the following bills and joint resolution:

S. 1911. An act to amend an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916;

S. 2014. An act to provide for the settlement of small holding claims on unsurveyed land in the State of New Mexico; and

S. J. Res. 173. Joint resolution authorizing the President to appoint a special mission of friendship, good will, and congratulation to represent the Government and people of the United States at the centennial celebration of the independence of Brazil.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BRANDEGEE:

A bill (S. 3701) for the relief of Blattmann & Co., of Waedenswil, Switzerland (with the accompanying copy of a letter from the Minister of Switzerland to the Department of State, which was ordered to be printed); to the Committee on Foreign Relations.

By Mr. BURSUM:

A bill (S. 3702) providing for the acquirement by the United States of privately owned lands situated within certain townships in the Lincoln National Forest, in the State of New Mexico, by exchanging therefor lands on the public domain also within such State; to the Committee on Public Lands and Surveys.

By Mr. SPENCER:

A joint resolution (S. J. Res. 208) authorizing the Federal Reserve Bank of St. Louis to enter into contracts for the erection of buildings for its head office and branches; to the Committee on Banking and Currency.

AMENDMENT TO HOUSE RIVER AND HARBOR BILL.

Mr. RANSDELL submitted an amendment providing that $1,000,000 appropriated in Public Resolution No. 50, Sixty-seventh Congress, approved April 21, 1922, for the preservation, protection, and repair of levees under the jurisdiction of the Mississippi River Commission, be not carried to the surplus fund of the Treasury, but that said sum be authorized to be appropriated for use under the terms of the flood control act of 1917, subsequent to April 21, 1922, etc., intended to be proposed by him to House bill 10766, the House river and harbor authorization bill, which was referred to the Committee on Commerce and ordered to be printed.

ADDRESS BY SENATOR WALSH OF MONTANA.

Mr. SWANSON. Mr. President, the senior Senator from Montana [Mr. WALSH] delivered an unusually able and eloquent address before the Virginia Bar Association at Lynchburg, Va., on the 8th instant, concerning the regulation of the jurisdiction of the Supreme Court of the United States. It bears directly upon a matter which is pending in the Senate, and I ask unanimous consent that it may be printed in the RECORD in 8-point type.

There being no objection, the address was ordered to be printed in the RECORD in 8-point type, as follows:

[Address delivered at Lynchburg, Va., June 8, 1922, by Senator WALSH of Montana.]

THE OVERBURDENED SUPREME COURT.

Considering the extraordinarily brilliant history of the bar of the State of Virginia and the many distinguished lawyers who have periodically addressed meetings of it, I count myself signally honored in being invited to speak to-day before this assemblage, regretting only that the exactions of my official duties have compelled me to select a subject to which, in the discharge of them, I have been required to give some thought.

The current session of Congress has been singularly prolific in questions, the solution of which involved the study of our fundamental law or the wisdom of departure from policies dating from the time of those who gave us that great charter. The scope and effect of the fourth amendment, assuring the people against unreasonable searches and seizures, became the subject of spirited controversy in connection with the supplementary prohibition legislation, commonly referred to as the "beer bill," and in the investigation into what are known as the "red raids," prosecuted during the winter of 1919 and 1920. The right of Congress to adjust through a commission the obligations due to our Government from foreign nations, arising out of loans made during the war and transactions incident thereto, amounting in the aggregate to approximately $11,000,000,000, was challenged, it being contended that the conduct of negotiations with foreign powers is, by the Constitution, reposed exclusively in the President, who alone is authorized to enter into agreements with such, subject to approval by the Senate, and further, that if the power is legislative in character rather than diplomatic, or if Congress has concurrent authority, it can not delegate the authority with which the people have intrusted it in that regard to a commission whose acts bind our Government, without the necessity of subsequent approval by Congress, or either branch thereof.

The appointment of a Senator and a Member of the House on the commission just mentioned, both of them serving as such at the time the act creating it was passed, gave rise to another question of constiutional construction which was, on the nominations being submitted to the Senate, referred to the Committee on the Judiciary, whose advice to the effect that the Constitution forbade their appointment was ignored by the Senate.

The antilynching bill precipitated in the House a stout contest over the scope and effect of the post-war amendments to the Constitution, which will probably be renewed in the Senate.

The pending tariff bill has been assailed because of what are referred to as the "elastic" provisions thereof, authorizing the President to raise or lower the rates or to change the classification or form of the duty, in order to, and to such an extent as shall, "equalize the conditions of competition in trade" in the markets of the United States as between the foreign and domestic product.

In the discussions attending the consideration of the questions referred to, involving the Constitution as originally framed, a purpose is professed to discover and give effect to the intention and to carry out the plan of the wise founders of our Government.

Another measure pending in the House proposes a radical departure from the system devised by them as a part of the machinery of government contemplated by the Constitution, to which your thoughtful consideration is invited. It is a bill the avowed purpose of which is to relieve the Supreme Court of the burden of a supposedly overcrowded calendar, which end is to be achieved by a further amendment of the judiciary act of 1789.

Notwithstanding the mutations undergone by that justly celebrated law, the work largely, if not entirely, of Oliver Ellsworth, member of the Constitutional Convention, United States Senator and Chief Justice of the United States, necessitated by the multiplication of causes reaching it consequent upon the phenomenal growth of our country and the expansion of the field of activity of the Federal Government, none of them impaired the right guaranteed by the act to have reviewed in the Supreme Court, as a matter of right and not of favor, a Federal question determined by a State court against the party invoking it until the passage of the act of September 6, 1916, now appealed to in support of the bill referred to as a precedent for a further encroachment upon the principle just mentioned.

The accumulation of business in the Supreme Court moved Congress, as early as 1875, to exclude from consideration by it appeals in civil causes in which the amount involved was less than $5,000, $2,000 being the minimum fixed in the Ellsworth Act. The act of 1875 made another interesting change in requiring that in causes of admiralty or maritime jurisdiction the review of the Supreme Court should be limited to the determination of questions of law arising on the record, closing the opportunity in such cases to introduce additional evidence in the appellate tribunal, a right which was recognized by the act of March 3, 1803, amending the act of 1789, which, after providing for filing a transcript of the record on appeal in cases of equity, of admiralty or maritime jurisdiction, and of prize or no prize, had this added clause, "and that no new evidence shall be received in the said courts on the hearing of such appeal, except in admiralty and prize causes." Whether the Supreme Court ever did take additional evidence in such causes or whether prior to the act of 1803 the right to submit such on any appeal was ever claimed or exercised, excited, I confess, my curiosity, though I found no time to satisfy it.

Further relief was afforded indirectly by the act of March 3, 1887, corrected by the act of August 13, 1888, with which the bar is familiar, occasioned by the growth of the business of the Federal courts generally, the main features of which were the increase of the minimum money value involved in order to entitle the litigant to bring in or to remove to a Circuit Court a civil cause from $500 to $2,000, since raised to $3,000, and the requirement, in the case of actions founded on diversity of citizenship, that they be brought in the district of the residence of either plaintiff or defendant.

These innovations were but palliative, however, and the Circuit Courts of Appeals came into existence by the act of 1891 as a thorough-going solution of the serious problem presented by the accumulation of business before the Supreme Court, in consequence of which it was nearly, not quite, four years in arrears. It introduced the idea of a review in the Supreme Court, by grace and not by right, created a permissive, as well as an obligatory, jurisdiction, the former to be exercised by certiorari in civil causes in which the Federal jurisdiction was originally invoked by reason of diverse citizenship or alienage, the latter by appeal or writ of error when it depended upon the existence of a Federal question. The limitation in that act of the right of review in all cases brought in or removed to the District Courts because of diversity of citizenship to the new courts created by it is eminently just. It is exceedingly questionable as to whether the time has not passed when the Federal courts should be burdened with litigation of that character.

The conditions which gave rise to the provision of the Constitution extending the Federal jurisdiction to such causes have all but passed away, if they were not always wholly imaginary. We have ceased to be an aggregation of warring States, suspicious of each other, the people of each harboring hostile sentiments toward those of every other or some other, likely to be manifested in civil suits by judges and juries. I am sure a citizen of Virginia would suffer no disadvantage in the courts of Montana against a citizen of that State before any judge or before any jury to which both were unknown, or equally well known, and I can not believe that as much can not be said for the courts and juries of this Commonwealth.

Should a federation of the States of Europe ever be organized on the lines of our Union it would undoubtedly be wise, in view of the hatreds engendered by the recurrent wars among them since before the dawn of history, the differences in language and religion and many other circumstances tending to perpetuate the heterogeneity that prevails, to make provision for the trial of causes in the general rather than the local courts at the instance of a litigant being a citizen of a State other than that in which the suit is brought or to be brought. Happily no such condition prevails here. But even under the adverse conditions that now obtain in Europe there seems to be, outside of Russia, no such denial of justice by the courts of one country thereof with respect to the citizens of another as, save in rare instances, to provoke diplomatic interference or to be any serious obstacle to trade. It may be gravely questioned whether there is any justification whatever for continuing the favor accorded by our Federal judicial system to litigants not

citizens of the State in which they become such, implying as it does, unwarrantedly, that their deserts would not be meted them in the courts of such State.

The change effected by the amendment of 1887–88, denying recourse to the Federal jurisdiction in civil causes in which the amount involved is less than $2,000—since raised to $3,000—though inspired by a desire to curtail the work devolving upon the Federal courts is, in fact, a confession that the principle upon which those courts are open to suitors of the class to which the act referred is unsound. The limitation fixed in the original judiciary act was doubtless intended to exclude petty cases, but not all those now excluded, being otherwise eligible, can be denominated as such.

It may be true that in our courts foreign corporations suffer to some extent from local prejudice, not because they are foreign, but because of their being, as a rule, organizations of the character that they are, representing considerable accumulations of capital. The domestic corporatin encounters the same hostility wherever it obtains, and in no less degree. The litigant who is accorded a choice of going into or having his cause removed to the Federal court, simply because his residence is in some State other than that of the forum, has no ground of complaint when he is given a right of appeal to a tribunal of equal dignity with that of the court to which his case would have gone had it been tried in the State court. One appeal is all he is entitled to.

Whatever consideration may have impelled Congress to accord to one invoking the Federal jurisdiction on the ground of diversity of citizenship, the right to apply to the Supreme Court for a writ of certiorari to review an adverse decision of the Circuit Court of Appeals, he can not contend that justice would not be done him were the judgment of that court made final. There will be occasion to refer to this subject again.

The jurisdiction over controversies between private parties depending upon alienage has little, if any, better foundation. Doubtless it was instituted partly like that arising out of diversity of citizenship on the assumption that the local courts would be subject to the influence of a prejudice against outlanders, but perhaps, as well, in the belief that the new government would be held in higher esteem abroad if it, charged with the conduct of international affairs, should undertake, in its own courts, to see that justice was done the foreigner. The policy of Hamilton, under which the National Government assumed the obligations of the States, had not yet taken shape and no little cause for distrust had been given by some of them touching their purpose to pay their own debts to subjects of other countries, or to require through the process of their courts the payment of obligations of like character by individual citizens.

Whatever may have been the occasion for according to aliens the privilege they enjoy of electing to submit their controversies at will, either to the State or to the Federal tribunals, it long since passed away. The courts of the several States have established a reputation for justice and learning which suffers in no respect by comparison with those of any country to which American citizens are from time to time obliged to resort.

From the beginning, aliens accused of crime against the laws of the several States—that is, for all ordinary crimes—have been brought to trial before the courts thereof without, so far as my information enables me to speak, a single protest upon the part of any Government against the regularity of the proceedings or the justice of the judgment or sentence. It ought not to be expected of our Government that precaution be taken to safeguard the property interests of foreigners, deemed unnecessary when their lives or their liberty are at stake. Nor is it either logical or just in the General Government by its laws even remotely to suggest that though the State courts may be trusted to try aliens for crimes alleged to have been committed by them, they are to be regarded with suspicion in respect to civil controversies to which aliens are parties.

The new procedure introduced by the Court of Appeals Act of review by certiorari was extended by the act of December 23, 1914, so as to permit the consideration by the Supreme Court of a Federal question determined by the court of last resort of a State, though the decision therein was in favor of the party relying upon such Federal question, an enlargement of the jurisdiction of the ultimate tribunal.

By the act of January 28, 1915, the writ of certiorari was prescribed as the sole method of review of judgments of the Circuit Court of Appeals in bankruptcy cases. It afforded some further incidental relief by providing that the Pacific railroads theretofore held to be entitled to invoke the Federal jurisdiction by virtue of the fact that they were organized under acts of Congress should no longer enjoy that right. This was speedily followed by another act, the purpose of which was, like that of the bill under consideration, to limit the obligatory jurisdiction of the Supreme Court, and thus enable it to give adequate consideration to causes deemed of paramount importance—the act of September 6, 1916. Besides making the final judgments and decrees of the Circuit Court of Appeals in actions arising under the railroad employees' liability act and similar acts to promote the safety of operatives engaged in interstate transportation by rail, and in apparent obliviousness of the fact that the law already so provided, judgments and decrees of such courts in bankruptcy cases reviewable by certiorari only, it made that method of review the exclusive way of getting before the Supreme Court a judgment or decree of a State court in a cause in which some "title, right, privilege, or immunity" was claimed under the Constitution of the United States, "or of any treaty or statute thereof or commission held or authority exercised under them," whether the decision was for or against the party making the claim.

The scope of the writ of certiorari was correspondingly extended so that causes which had theretofore come to the Supreme Court by right can now be heard only by grace of that tribunal, if one may appropriately or pardonably employ that expression.

The original judiciary act guaranteed a right of review in the Supreme Court from the judgments of the State courts in three classes of cases:

First. Those in which were raised the validity of a statute or treaty of or an authority exercised under the United States.

Second. Those in which were drawn in question the validity of a statute of or an authority exercised under a State on the ground that it is repugnant to the Constitution, treaties, or laws of the United States.

Third. Those in which was asserted some title, right, privilege, or immunity or authority under such Constitution, laws, or treaties.

The right of reexamination existed, however, only in the event that the decision of the State court was against the party thus relying on the Federal Constitution or laws or treaties or asserting the validity of an authority Federal in its origin.

The third class of cases, reviewable as of right since the organization of our Government, was transferred from the obligatory to the permissive jurisdiction of the Supreme Court.

There is, indeed, a basis for the distinction thus made, in that in the first two classes the constitutionality of the statute, treaty, or authority is brought into question, whether it be State or Federal, measured by the limitations in the fundamental law of the Nation. In the third there is presented only a question of the construction of the Constitution, laws, or treaties of the United States.

The act left, however, illogically, subject to review by writ of error or appeal, just such questions if they came to the Supreme Court from the circuit court of appeals, having been the basis of resort to the Federal jurisdiction, except they arose under the specific acts of Congress mentioned, namely, the bankruptcy act and the railroad employees' relief acts. That law is not one in the authorship of which anyone may take a just pride. Why single out those particular acts of Congress as unworthy of the attention of the Supreme Court, to be invoked as in the case of any other law enacted by it? And why shut out a question of the construction of the Constitution, or a law or treaty of the United States, or the validity of an authority exercised by them, except by permission of the court, when it comes from the highest court of a State, but admit it when it comes from the Circuit Court of Appeals; and, finally, why accord one an opportunity to be heard on a claim of being denied by a State court a right guaranteed to him by the Constitution if it is disregarded pursuant to a statute, either of the State or of the Nation, but deny him relief if his rights have been invaded or disregarded without even the justification of a statute?

The bill which gives occasion to these remarks, should it become a law, will remove in some small degree these incongruities. It makes all judgments and decrees of the circuit court of appeals reviewable by certiorari only. It further limits the obligatory and extends the permissive jurisdiction of the Supreme Court by transferring from the one to the other cases in which "is drawn in question the validity of" an authority exercised under the United States, the decision being in favor of its validity, or "an authority exercised under any State on the ground of its being repugnant to the Constitution of the United States." There would remain no obligatory jurisdiction except in cases in which a State court should deny the contention that a State statute is repugnant to the Constituion, laws, or treaties of the United States, or that a Federal statute is violative of the Constitution thereof.

The discretion to be reposed in the Supreme Court by this proposed statute is not fully expressed in the statement just

made. It would authorize the Supreme Court, upon the petition of a party, to require to be certified up to it for examination any cause, civil or criminal, pending before any Circuit Court of Appeals, including the Court of Appeals of the District of Columbia, even before judgment or decree has been rendered in such court.

The overworked writ of certiorari is further, by the bill under consideration, made the sole method of review of the judgments and decrees of the Supreme Court of the Philippine Islands. In view of the dignity given to the writ it is difficult to explain why it was not made the sole means of invoking the appellate jurisdiction of the Supreme Court.

The House Committee on the Judiciary was told by the Chief Justice that the bill is the work of the Justices of the Supreme Court. If so, it exemplifies that truism, half legal and half political, that a good court always seeks to extend its jurisdiction, and that other maxim, wholly political, so often asserted by Jefferson, that the appetite for power grows as it is gratified.

I think the act of 1916 made an unfortunate innovation in limiting the cases in which a review of the decisions of the State courts might be had as of right, and that the bill to which your attention is now directed, imposing, as it does, a further limitation, ought not to command the support of the bar at least in that respect. Let me remind you that by the act just mentioned no error of a State court touching the construction of a Federal statute can come before the Supreme Court for review except by its permission on an application for a writ of certiorari, nor, for that matter, any question of the construction or application of the Constitution of the United States, except the validity of a statute, State or national, as being repugnant to it is involved.

We have developed in the Western States a wonderful system of mining law, consisting of the acts of Congress of 1866 and 1872, and acts amendatory thereto, providing for the disposition of the mineral lands of the United States, the customs of miners to which the laws referred to give the sanction of statutory enactments, and the decisions of the courts construing and applying them. The whole system of the disposition of the public lands naturally bears a close relationship to that which is concerned exclusively with the mineral lands, and a more or less intimate knowledge of the former is essential to a full comprehension of the intricacies of the latter. So vast is the accumulation of learning with which the subject has been enriched, so prolific are the statutes relating to it in controversial questions, that a late work which must be at the hand of every lawyer in the western mining region consists of three bulky volumes. It need not be said that the amounts involved in the controversies out of which mining law as it is understood in this country has been evolved are often vast. The producing area of the Butte district, the output of which has run into billions, the richest mineral deposit the world has ever known, is not to exceed two miles square. As a rule the justices of the Supreme Court, though always masters so far as the general principles of the law are concerned and often specialists in some branch, have scarcely a bowing acquaintance with mining law, if, indeed, it is not a sealed book to them, or some of them. Moreover, a comprehension of the questions involved frequently, if not invariably, requires some familiarity, and not unusually a rather intimate familiarity, with mining geology, both to comprehend the particular proposition presented and the force and applicability of decisions to which appeal may be made. To deny a litigant a right to present to the Supreme Court a question arising under the laws of Congress touching the disposition of the mineral lands, except by writ of certiorari to be issued upon written application supported by briefs, but without oral argument, is all but to compel him to abide by chance alone, with the odds all against him.

Scarcely less intricate are the problems which arise under the public land laws generally, and while our section may be more fruitful in causes presenting Federal questions than others or than the country generally, there is scarcely any region that does not produce controversies depending for their solution upon Federal statutes. It is not only such that are shut out but, as well, every case involving the denial of a title, right, privilege, or immunity set up or claimed under the Constitution of the United States. There would be included, no statute being involved, a right claimed under the full faith and credit clause, the clause guaranteeing to the citizens of each State the privileges and immunities of citizens of the several States, and those ample rights guaranteed by the fourteenth amendment.

It is understood that it was because of the frequency with which actions were brought to the Supreme Court upon the claim, often shadowy, of the denial of a right under the amendment mentioned that the restriction was asked and, as I think, unreflectingly imposed by Congress. I may say, for whatever of exoneration there may be in it, that the act was passed in my absence. But the prevalence of the evil, if it be such, alluded to, as it seems to me, is a very poor reason for denying to the meritorious classes of cases to which I have referred a right to be heard in the tribunal whose appropriate function is to give an authoritative interpretation to the Federal law.

Quite likely a vexing fecundity has been exhibited by the bar in respect to appeals said to present questions of the disregard of rights protected by the fourteenth amendment, but if the idea advanced is without substance or not open to serious debate, the appeal may be dealt with summarily by the usual motion to dismiss or affirm or by relegating it to the short-cause calendar, while the practice of prosecuting such may be deterred by the consistent imposition of the penalty for frivolous appeals.

As heretofore pointed out, the bill in question not only confirms the departure, the unwisdom of which I have not hesitated to condemn, but it would likewise transfer to the permissive jurisdiction causes in which are involved the validity of an authority exercised under a State, as distinguished from a statute of such State, on the ground that it is repugnant to the Constitution of the United States, or the validiy of an authority exercised under as distinguished from a treaty or statute of the United States.

Just what was covered by the word "authority" as used in the judiciary act and continued in the present law and to be continued should the bill under consideration become a law it is somewhat difficult accurately to comprehend. It is not easy to conceive of an authority exercised under a State not founded upon a statute of such State, considering its constitution as a statute, as doubtless it must be regarded, nor to conceive of an authority exercised under the United States not founded upon a statute or treaty thereof, giving the word "statute" a similar significance.

It would seem as though every case involving the validity of an authority exercised under either State or Nation would involve the validity of a statute or treaty. It may be that the word "statute" is to receive a more restricted significance and the class of cases covered by the term "authority" is such as present acts done as within the constitutional grant and independent of statute or treaty. This view would seem to be sustained by Mathews *v.* McStea (20 Wall. 646), where the question was as to the sufficiency of the acts of the President to inaugurate a war which would invalidate the contract upon which suit was brought. The case of Pickering *v.* Lomax (145 U. S. 310) presented the question of the authority of the President to execute a deed of Indian treaty lands, but that obviously was to be determined upon the existence and construction of a treaty or statute or both and involved a claim of title or right under a statute of the United States, elsewhere covered in the appeals act. A long line of cases holds that the failure of a State court to give due consideration to a judgment of or to proceedings had in a Federal court is a denial of the validity of an authority exercised under the United States, but it would seem as though all such cases equally involved the denial of a title or right claimed under the Constitution and statutes of the Union.

It is advanced in Telluride Power Transmission Co. *v.* Rio Grande & Western (175 U. S. 639) that in view of the use of the word "commission" in the statute in juxtaposition to "authority" the latter probably refers to a personal authority, such as, as suggested above, springs from the Constitution without any statute. The word "commission" was doubtless employed to reach the case of acts by subordinate executive officers, civil and military, done by virtue of the authority reposed in the President, whose instruments they become pro hac vice. Possibly a ruling by a public service commission, acting under authority of a State, said to be confiscatory in character and therefore violative of the fourteenth amendment, when no assault can be made on the statute under which the commission acts, would be within the purview of the particular feature of the judiciary act being considered, and subject to the jurisdiction by the bill made permissive instead of obligatory. However, whatever vestige of the obligatory jurisdiction of the Supreme Court is founded upon an authority exercised under a State, not involving the validity of a statute tested by the Federal Constitution, would be gone, as well as such as is founded upon the validity of an authority exercised under the United States not involving the validity of a statute or treaty thereof.

It will be seen that the bill to which Congress is asked to give its assent will multiply the applications for writs of

certiorari. In my judgment they are far too numerous now. I have not the figures at hand to show what percentage of the causes determined by the nine Circuit Courts of Appeals are made the basis of applications for that particular writ of review, but it must be high. It is not expensive relatively to prosecute such an application, and why should not a lawyer take the chance even though it be a remote chance? As a rule his client will spur him on, though he himself despair. During the current term 324 such applications were filed, of which 53 were granted and 273 denied, and 4 remain undisposed of. Whatever may be said touching the degree of care with which such applications are considered, it is impossible to resist the conclusion that in the vast majority of cases they can have nothing more than the most cursory and superficial examination. There is a limit to the capacity for work of even justices of the Supreme Court. But even if the pressure of business and the multitude of such applications did not forbid a careful inquiry into the debatable character and importance, public and private, of the question raised, it is notorious that the importance of a point in a lawsuit is often lost sight of or only feebly comprehended by a judge, though ordinarily capable and astute, when unaided by oral argument. Indeed I have long believed that the value of an oral argument, aside from affording an opportunity to acquaint the court with the essential facts of the case, in which respect the spoken word has a value quite beyond that of the printed page, is measured not so much by how far the bench has been convinced as by how successfully the interest of the justices has been aroused in the determinative propositions canvassed in the brief. Moreover, preconceived notions erroneously entertained are often dissipated with ease in oral argument against which counsel who must rely on a printed brief would have no warning. It has been said that an attorney who waives oral argument betrays his client. Our concern is to see that justice is done. I am convinced that to be required to submit to the Supreme Court on a written or printed statement of the facts and briefs whether a cause should be reviewed in that court is a denial of justice in a multitude of cases.

But justice delayed is justice denied, and if the work of the Supreme Court is accumulating beyond its power to dispatch, giving due attention to the same, it is incumbent on Congress, within its powers, to grant relief. If the plan proposed is open to grave objection, what is the remedy? It will be well to dispel some misapprehension, more or less prevalent, concerning the conditions. The number of cases docketed annually has remained substantially stationary since 1910, while the number of cases carried over has declined during that period from 586 in 1910 to 343 in 1921. The figures in detail are given in the following table:

	1910	1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921
Carried over.....	586	640	671	604	535	525	522	532	495	408	386	343
Docketed.....	509	530	509	524	528	524	532	582	580	555	.....	.....

The number of cases disposed of each year is ascertained by subtracting from the sum of the cases carried over in any one year and the cases docketed in that year the number of cases carried over into the following year. These have increased from 485 in 1910 to about 600 in recent years. For several years past a period of about one year has elapsed between the docketing of the case and the argument of the same. The delay is not apparently undue, but it is quite evident that the court is working at high pressure, disposing annually of over 100 cases more than it was accustomed to dispatch 10 years ago.

Some complaint has been made that the time allowed for argument is in many cases all too brief. It will be recalled that the limit fixed by the rules, formerly two hours, was a few years ago reduced to one and a half hours and later to an hour. Though the court has been liberal in extending the time upon the assurance of counsel that the cause could not be adequately presented within the period limited by the rule, it not infrequently happens, particularly when the controversy involves interests that can not be grouped with perfect regard for all, that the argument is so restricted as to be well-nigh valueless. This situation may well claim some attention.

Statesmen and jurists have declaimed against the constant expansion of the field of Federal activity and the absorption by the National Government of power exercised in the past exclusively by the States, the fruitful source of much of the business that crowds the calendar of the Supreme Court. It seems impossible to stay the tendency in that direction. Political parties vie with each other in their professions of a purpose to bring relief from real or supposed evils through national legislation. A widespread disposition prevails, peculiar to no section, to look to the General Government for redress for wrongs or relief from untoward conditions regardless of constitutional limitations. It is to be hoped that at some time in the future a healthy reaction will set in, but meanwhile something must be done to permit the orderly consideration of causes which should properly receive the prompt attention of the Supreme Court. It may aid if some thought is given to the question of what are such causes.

I conceive, as heretofore stated, that the primary function of that court is to give an authoritative interpretation of Federal law, constitutional and statutory. First among the cases enumerated in the Constitution to which the judicial power of the United States extends are those "arising under this Constitution, the laws of the United States, and treaties made or which shall be made under their authority." I would only as a last resort curtail in any degree the right to a hearing on such cases in the Supreme Court, but I would limit that hearing to the Federal question involved.

In the case of causes brought into the Supreme Court from the State courts the hearing is, as is well known, so limited. There is no reason why in the case of causes in which the Federal jurisdiction is invoked, in the first instance, because of the presence of a Federal question the review in the Supreme Court should not be similarly limited. One who is able to so state his case as to make it appear from his bill or complaint that a Federal question is involved may begin his action in the Federal District Court and have the whole case reviewed in the Circuit Court of Appeals and then in the Supreme Court of the United States. Another in whose controversy there is equally involved a Federal question but of such a character as that it will not appear from his pleading, artificially framed, can not take that course. (B. & M. Con. Co. & S. M. Co. *v.* M. O. P. Co., 188 U. S. 632.) He must go into the State court and reach the Federal Supreme Court by that route, but arriving there he can be heard, properly enough, only on the Federal question.

If the jurisdiction of the District Court over causes in which a Federal question is presented is to be preserved, the judgments or decrees of the Circuit Court of Appeals in such should be made final, except as to the Federal question, which should be reviewable by writ of error. Such a change would afford some very substantial relief to the Supreme Court. It frequently happens that the Federal question upon which the jurisdiction of the District Court is invoked is so doubtful in character as barely to sustain such jurisdiction, the real controversy between the parties depending upon issues of law and fact quite apart from such question. In a case of that class recently decided by the Supreme Court the Federal question was disposed of in a brief paragraph or two, while the other questions, so intricate that the court directed a reargument of the appeal, called for exhaustive study of a voluminous record and, as exhibited by the elaborate opinion filed, a discriminating and laborious examination of the other propositions of law raised. It might be added that though all three courts through which the cause passed held that though there was enough in the Federal question to sustain the jurisdiction the contention made with respect to it by the complainant was not sound.

I would cut more deeply than is here proposed. I would abolish altogether the right to go into the Federal court in the first instance simply because there is a Federal question involved. There is less justification for that branch of the jurisdiction of the district court than there is for that which depends upon diversity of citizenship or alienage. It had its origin in a strange belief that a hot rivalry might—indeed, was quite likely to—spring up between the State government on the one hand and the National Government on the other, so intense and possibly so bitter as to render it doubtful whether State judges would dispassionately and fairly administer the national law. We know that these dismal forebodings have happily proved altogether vain. So long as the litigant has the right through a writ of error addressed to the State court to have the Federal question upon which he relies passed upon by the Supreme Court full justice is done him. The abolition of this jurisdiction, it is true, would not afford the Supreme Court any relief beyond that which would ensue by making the judgments of the Circuit Courts of Appeals in such cases reviewable only as to the Federal questions involved in them, but it would contribute in some measure to relieve the congestion of business in the District Court, so great that Congress is importuned to create some twenty-odd additional district judgships, and the legislation simply awaits an agreement between the two Houses as to a few additional districts importunately insisting on being taken care of. On the consideration of that legislation it was gravely proposed in the Senate to abolish inferior Federal courts alto-

gether, reminding one of the attitude taken by Richard Henry Lee in connection with the judiciary act when it was on its passage before that body that such courts should be empowered to entertain only causes of admiralty or maritime jurisdiction. These radical views can probably command little support in our day, but it is my studied conviction that the reasons which impelled the Congress in 1789 to invest the Federal courts with jurisdiction over civil causes because of diversity of citizenship of the parties or alienage of one of them or because a Federal question was involved, never having been valid or having ceased to be valid because the conditions which it was assumed would justify the grant of such jurisdiction, do not prevail, the right to resort to the Federal courts on any such grounds should be abolished.

So far as that branch of the jurisdiction of the District Court which depends upon the existence in the controversy of a Federal question or upon alienage is concerned, no sturdy opposition to its elimination is to be anticipated save such as springs from the natural conservatism of lawyers, no particular interests being concerned about its retention. But the case is different when it comes to the other branch. It is perfectly well known that innumerable corporations have been organized under the laws of States other than those in which they contemplate operating for no reason except to enjoy a choice of having their legal controversies determined as their interests would seem best subserved, either in the State or the Federal courts, while the scandal of "tramp" corporations, the incorporators of which are residents of the State in which they do business under charters from distant States, sued out in order to escape the jurisdiction of the local courts, is a reproach to our judicial system. All such may be expected to rise in their might to acclaim the excellence of the system under which they enjoy such an unconscionable advantage over their neighbors.

Meanwhile, in like manner, I would make Federal questions raised in actions depending upon diversity of citizenship—those in which the Federal question was not made to appear by the initial pleading—reviewable by writ of error to the Circuit Court of Appeals. But I would make the judgment of that court final in both classes of actions, except as to any Federal question involved. I would thus rid the Supreme Court of the labor and annoyance of examining a vast number of applications for writs of certiorari. I would reduce the number of such applications rather than indefinitely increase them. I would relieve the Supreme Court from considering a vast mass of questions with which there is no special reason why it should concern itself that it might devote more time to the argument and more thought to the consideration of questions peculiarly within its province.

The rules which guide or should guide the Supreme Court in passing on applications for writs of certiorari have never been very clearly defined, or perhaps it is more accurate to say, so far as any rule has been laid down, it is so general in character, except in a single particular, as to tolerate the exercise of an unrestrained discretion. The court has said that the writ will be granted whenever there is a conflict of decisions among the Circuit Courts of Appeals, or between one of such courts and a State court, in order to bring about uniformity, or whenever the interests of the Nation in its internal or external relations or the importance of the question involved demand.

Perhaps the writ might be appropriately employed when the interests of the Nation are directly involved, and particularly with respect to its foreign relations, as was the case when the court ordered a transfer of the record in the case of *The Three Friends* (166 U. S. 7) even before it was heard in the intermediate court. It would seem, however, that in such a case the writ would more appropriately go, in the interest of expedition, on the motion of the Attorney General, to the District Court rather than to the Circuit Court of Appeals. So far as I can learn, this extraordinary power has never since been exercised by the Supreme Court. Its authority to proceed seems not to have been questioned in the suit referred to, though it might well have been in view of the language of the governing act, to the effect that the Supreme Court might require to be certified to it "for review and determination" any case the judgment or decree in which the Circuit Court of Appeals was made final by the act. The word "review" would seem necessarily to imply that the cause should first have been determined by the Circuit Court of Appeals. This conclusion is enforced by the fact that power was granted to issue the writ only in cases which otherwise became final in the Circuit Court of Appeals. It is quite likely, if not more likely, that national interests would require a speedy determination of a cause in which the jurisdiction depends upon the existence in the controversy of a question arising under the Constitution or laws of the United States as though it was invoked because of diversity of citizenship. It is difficult to resist the conclusion that that portion of the Circuit Court of Appeals act had no other purpose than to afford the litigant whose case would otherwise terminate in that court an opportunity, should the decision of that tribunal be adverse, to ask a review by the Supreme Court. However, whatever doubt may inhere in the present law in that regard the bill under consideration would remove, for it expressly declares that the writ of certiorari may be issued either before or after judgment. I find it difficult to conceive of any justification for such a provision, except to meet the contingency of a pressing national need, when, as suggested, the writ ought to procure the direct transfer of the cause from the District Court after judgment to the Supreme Court, regardless of the ground upon which the jurisdiction of the court of first instance was invoked.

But barring cases in which national interests are involved, there is to my mind little justification for transferring to the Supreme Court litigation between private parties, either because of the importance of the questions involved or to secure uniformity of decisions. "Importance" is a highly elastic term. Every suit involving a debatable proposition of law is more or less important, and there is no more of misfortune in a conflict between two Circuit Courts of Appeals, or between one of such courts and a State court, than there is in a conflict between the courts of any two of the forty-eight States. Still if the writ of certiorari were confined to cases in which such conflict exists, and the review restricted to the proposition in respect to which there is a difference, the number of applications would be limited and the labor entailed in passing upon them relatively light.

In my judgment the way to solve the problem is to relieve the court from the consideration of questions with which it should not now be troubled. Why should the Supreme Court be devoting itself to the consideration of the ordinary questions of commercial and corporation law, of negligence and torts generally, of domestic relations, of municipal securities, and the complex problems presented by the intricate and involved contracts which characterize the great business transactions of our day?

To recapitulate. The bill under review would substitute certiorari for writ of error in the case of judgments of State courts, in which is questioned the validity of an authority exercised under the United States, on the ground that it is contrary to the Constitution, laws or treaties thereof, or an authority exercised under a State on the ground that it is repugnant to the National Constitution. It would substitute certiorari for writ of error in causes coming to the Circuit Court of Appeals, because involving a Federal question. The amount of relief appears inconsequential.

On the other hand, I would abolish the writ of certiorari as to cases in the Circuit Court of Appeals and restrict the consideration in all cases from that court as in cases coming from the State court to any Federal question involved which should be subject to review as of right. I would amplify the right to the writ of error to State courts by renewing the provisions of the judiciary act in relation thereto, rendered ineffective by the act of 1916. I am convinced that not only would a greater measure of relief be thus afforded, but a higher measure of justice would prevail and a more rational judicial system obtain. But I would look forward to the eventual abolition of the jurisdiction of the Federal courts in civil causes because of diversity of citizenship or alienage or because the controversy involves a Federal question.

HOUSING CONDITIONS IN THE DISTRICT.

Mr. KING. Mr. President, some time ago the subject of the housing conditions in the District of Columbia received to some extent the attention of the District Committee, of which I am a member. We considered it particularly in view of the large building program that it was desired to enter upon for school purposes in the District. Subsequently Secretary Hoover met with the Commissioners of the District, and I also had the opportunity of being present. It was recommended at that meeting that a committee be appointed to investigate the housing situation in the District of Columbia, the reason for the house shortage, the cause of high rent, of the impediments and obstacles which are offered to building, the reason for high charges upon loans, and all cognate questions. A committee was appointed by the commissioners, of which Mrs. Eli A. Helmick was chairman. The committee has been in session from time to time; and recently, in fact on last Saturday, a tentative report was submitted by Mrs Helmick as chairman. I am advised that

the report was not accepted by the committee, but the report is of such merit and contains so many valuable suggestions that I feel that it ought to be referred to the Committee on the District of Columbia, to the end that that committee may take such steps as may be deemed necessary.

Speaking for myself, I believe that an investigation should be had by the District Committee. There is no doubt that men and corporations in this District are charging extortionate rents, and that many obstacles are opposed to legitimate building operations here. There should be a full and complete and exhaustive inquiry by the District Committee, because the impediments which this commission met with, perhaps, precluded that full investigation which should be made. The report appears in the Washington Daily News, a newspaper which has been doing most excellent work in presenting the evils of the housing situation to the people.

I ask that the tentative report which I have indicated be referred to the Committee on the District of Columbia.

There being no objection, the report was referred to the Committee on the District of Columbia.

DAYLIGHT-SAVING REGULATIONS.

Mr. DIAL. Mr. President, I shall take but a moment of the time of the Senate in discussing a matter not connected with the tariff.

The public has been waiting very patiently for the President to modify the order in regard to so-called daylight saving. A short time ago the Star told us that by a vote of 10 to 1, I believe, the people who had voted did not approve of the present arrangement, and recently we have read in the News that a great many of the employees of the Government are most strenuously against this new scheme. I was in hopes that the parties who had imposed upon the President by telling him that this was desirable would have the manhood to go back and ask him to revoke the order.

Mr. WATSON of Georgia. Mr. President——

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Georgia?

Mr. DIAL. I yield.

Mr. WATSON of Georgia. According to my custom, I went to my office yesterday morning to dictate the editorials for my paper. The stenographer in the case is a young woman who works in the splendid State Department, under our magnificent premier, Mr. Hughes. She told me that she had been assigned to three different offices of the big men to take down shorthand, and not a single one of those men was on duty when the office opened. In other words, this foolish daylight-saving order is striking the small men and the weaker women, and not striking the strong men at all, and the Senator from South Carolina is quite right in protesting against it.

Mr. DIAL. The employees get out earlier in the afternoon, they have to go home to hot quarters, and they have to rush to get up in the morning, and hurry to get a little breakfast. Those who live out some distance, of course, are delayed, and it is very burdensome upon them. As the Senator from Georgia has said, no doubt the high officials come whenever they get ready.

I am more deeply interested in the schools, and I most earnestly protest, in behalf of the school children, against the early hour. I protest also upon the part of the housekeepers and laborers of the District. It is true that school will soon be out, but I do not want any such precedent established here.

Not only that, but it militates against the public service and public interest. Before the present plan went into operation we received the mail at 3.30, and we receive it now at the same hour; but before, we would get information from the departments and answer the mail in the afternoon, so that our constituents would have the information practically 24 hours earlier than they get it at the present time. The force at my office tells me that now when they telephone to the departments immediately after the last mail comes in, the doors are closed, and there is no one to answer the telephone.

So it occurred to me that the 15th would be a splendid time to let the prior practice go back into operation, and I am in hopes that some one will call it to the attention of the President, or that the President himself will take notice of it, and have the order revoked, to take effect on the 15th of this month.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. DIAL. Mr. President, I present a resolution from a number of ladies in my State protesting against certain schedules in the pending tariff bill. I ask unanimous consent to have the resolution inserted in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, and to lie on the table, as follows:

Resolved, That we protest against the food, tableware, and women's wear schedules of the Fordney-McCumber bill. These schedules will increase the costs of living in every American home. They are fines levied by American men upon American women and upon American children. They should not be allowed to become law.

Yours truly,

CAMILLIA CANTEY SAMS (MRS. STANHOPE SAMS),
President Social Survey Club, 1922–23,
Secretary New Century Club, 1922–23.

Mr. McCUMBER. Mr. President, I ask that the Senate proceed to the consideration of paragraph 359 on page 76.

The VICE PRESIDENT. The paragraph will be read.

The READING CLERK. Page 76, line 14, paragraph 359, surgical and dental instruments—

Mr. McCUMBER. On behalf of the committee and as a committee amendment, on page 76, I move to strike out lines 14 to 20, both inclusive, and line 21 down to and including "ad valorem" and insert in lieu thereof the following:

PAR. 359. Surgical instruments, and parts thereof, composed wholly or in part of iron, steel, copper, brass, nickel, aluminum, or other metal, finished or unfinished, 45 per cent ad valorem; dental instruments, and parts thereof, composed wholly or in part of iron, steel, copper, brass, nickel, aluminum, or other metal, finished or unfinished, 35 per cent ad valorem.

Mr. SIMMONS. Mr. President, I understand the Senator from North Dakota wishes to substitute for that part of section 359 down to and including the words "ad valorem," on line 21, that which he just read.

Mr. McCUMBER. We propose to strike out lines 14 to 21, inclusive, down to the proviso on line 21. That part of the paragraph which we propose to strike out gives different rates on surgical and dental instruments—

Valued at not less than $2 per dozen and not more than $5 per dozen, 60 cents per dozen; valued at more than $5 per dozen, 12 cents per dozen for each $1 per dozen of such value; and in addition thereto, on all of the foregoing, 60 per cent ad valorem.

We propose to strike out all the specific duties and give a straight ad valorem of 45 per cent on surgical instruments and 35 per cent on dental instruments.

Mr. SIMMONS. In other words, the committee substitutes for the 60 per cent per dozen, on line 18, 45 per cent ad valorem?

Mr. McCUMBER. No; for both the specific duty and the ad valorem duty, which would amount, as I now recall, to about 80 per cent, we propose to give a straight 45 per cent ad valorem duty.

Mr. SIMMONS. That is, the committee proposes to strike out both the specific duty and the 60 per cent ad valorem duty and substitute 45 per cent for both?

Mr. McCUMBER. Forty-five per cent on surgical instruments and 35 per cent on dental instruments.

Mr. SIMMONS. That is a very substantial reduction, no doubt, but I am not prepared to say that it is as great as it should be. While I have no sort of objection to the substitution, I would not like at this time to express satisfaction with the substitute which is offered. The committee is now asking permission to offer the amendment. Does the Senator desire a discussion of the matter just at this time?

Mr. McCUMBER. Certainly.

Mr. SIMMONS. This is, of course, new matter that has just been presented to the Senate. I should be very glad if the Senator would proceed with some other paragraph and let us return to this paragraph in a very short time. I should like to look into it a little before it is finally acted upon.

Mr. McCUMBER. Very well.

Mr. WILLIS. Mr. President, will the Senator from North Dakota explain what his provision proposes relative to dental instruments? I could not fully hear what he said to the Senator from North Carolina.

Mr. McCUMBER. Dental instruments are given a straight ad valorem duty of 35 per cent.

Mr. WILLIS. Is that in a separate provision from surgical instruments?

Mr. McCUMBER. They are provided for in the same amendment.

Mr. WILLIS. Very well. That is satisfactory.

Mr. McCUMBER. If the Senator from North Carolina desires to pass over the paragraph temporarily we can proceed to the consideration of some other paragraph.

Mr. SIMMONS. I only desire that it may be passed temporarily. We can return to it in a very short time.

Mr. WALSH of Montana. Before the paragraph is passed over, I should like to inquire of the Senator from North Dakota what is the ad valorem equivalent of the rates as now fixed by the committee amendment?

Mr. McCUMBER. The rate is about 80 per cent as fixed by the bill and the committee amendment reduces it to 45 per cent ad valorem in one case and 35 in the other.

Mr. WALSH of Massachusetts. Mr. President, I should like to suggest to the Senator from North Dakota that this amendment is very important and many people are interested in it. I think amendments of this important character ought to be submitted to the Senate and be permitted to lie on the table for one day in order that we may study them and understand upon what we are voting. It is impossible to comprehend the scope of an amendment of this kind by merely hearing it read without an opportunity of studying and reflecting upon it.

Mr. McCUMBER. I have several copies of the amendment here and will be glad to hand the Senator one; but I think it is quite easy to keep in mind only the two proposition that under the amendment we propose a straight ad valorem duty of 45 per cent on surgical instruments and a straight ad valorem duty of 35 per cent on dental instruments. It is hardly necessary to have such an amendment lie over for a day in order to understand what it is.

Mr. KING. The reason for the difference in rate is, I suppose, that teeth are not worth as much as bones.

Mr. WALSH of Massachusetts. There are certain amendments which have been offered by the Senator from North Dakota, which are very important, and I think they ought to lie on the table in order that we may have an opportunity to consider them, and not have them presented here without any chance to consider them at all.

Mr. SIMMONS. Mr. President, I wish it to be definitely understood as to this matter that I am very much gratified at the reduction which the committee has proposed; a reduction from 80 per cent to 45 per cent in one case and 35 per cent in another is a very substantial reduction. It may be that it is not sufficient; I have not investigated that, and I merely desire the matter to be held open for a while in order that I may have an opportunity to look into it a little to ascertain whether action should be allowed to be taken on the new rates now proposed without further discussion.

Mr. McCUMBER. That is a very reasonable request, and I am glad to accommodate the Senator from North Carolina. I now propose that we shall proceed to the consideration of paragraph 360.

Mr. STERLING. Mr. President, I should like to ask the Senator from North Dakota if he will not be willing that paragraph 360 go over for the day? I have some data upon that paragraph, but I have not them here and they are not available to me now. I should like to present them in consideration with that paragraph.

Mr. McCUMBER. Mr. President, so long as we may consider some other paragraph I am not particular, although it is a little difficult for us to go from one paragraph back to another. The Senator from South Dakota desires, however, that paragraph 360 be passed over for the present, and I now ask that we take up paragraph 302 in reference to ferro alloys.

The VICE PRESIDENT. The amendment of the Committee on Finance to paragraph 302 will be stated.

The amendment of the Committee on Finance was, on page 49, line 2, after the word "carbon," to strike out "2½ cents per pound on the metallic manganese contained therein" and to insert "$2.50 per ton," so as to read:

ferromanganese containing more than 1 per cent of carbon, $2.50 per ton.

Mr. McCUMBER. On page 49 I desire to withdraw the committee amendment beginning in line 2, and in line 2 to strike out the numerals "2½" and insert in lieu thereof the numerals "1⅞."

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from North Dakota to the committee amendment.

Mr. KING. I wish to inquire of the Senator from North Dakota what disposition has been made of the numerals "$2.50" which are found in line 4?

Mr. McCUMBER. The committee proposes to withdraw the amendment and then to strike out "2½," and insert "1⅞" in lieu of "2½."

Mr. SMOOT. And the words "$2.50 per ton," in line 4, will also be stricken out.

Mr. McCUMBER. Yes.

Mr. SMOOT. That was what the junior Senator from Utah asked.

Mr. McCUMBER. The whole matter, to which the Senator from Utah refers, will be stricken out if my suggestion is agreed to.

Mr. KING. Will the Senator explain what effect the amendment just suggested on behalf of the committee will have upon the text of the bill as reported by the Committee on Finance?

Mr. McCUMBER. It is a material reduction in the House rate, and the duty proposed now is designed to take care of the duty on manganese ore which was inserted the other day.

Mr. KING. It is an increase over the original Senate committee amendment. Has the Senator from North Dakota figured out what the increase would be measured in ad valorem rates?

Mr. McCUMBER. We have made the increase to correspond with the 1 cent duty which was voted the other day upon the manganese content of manganese ore. In order to allow a proper differential it is necessary, of course, to increase the duty on the product made from the manganese ore, and the rate proposed here is in accordance with the estimate made by the experts that it will require about 1⅞ cents.

Mr. WALSH of Montana. Mr. President, I should like to inquire of the Senator whether the percentage of differential is not too high? The Senate has given its approval to the House provision imposing a duty of 1 cent a pound on the manganese content of manganese ore. Manganese is reduced to ferromanganese by the electrolytic process generally. It seems to me that 1⅞ cents is altogether disproportionate as protection. Of course, the manganese manufacture should be allowed a compensatory duty of 1 cent. I think the Tariff Commission report discloses that ferromanganese can be produced just as cheaply in this country, if the additional cost occasioned by the duty on manganese is taken care of, as it can be produced anywhere in the world, except possibly in those countries where power may be secured more cheaply than in the United States. I do not know why it should be so, but apparently power can be secured more cheaply in Canada than it can in the United States, and of course it can be secured more cheaply in Norway; but, all things considered—and this is an industry of my State; we have the only ferromanganese mill, I think, in the West, and I am not averse to helping it along, inasmuch as it is an infant industry—I think that a rate of 1⅞ cents a pound is giving to the ferromanganese producer a consideration that is vastly greater than the consideration given to the producer of manganese when he gets only a cent a pound.

Mr. SMOOT. The House allowed a differential of 2½ cents per pound, which is altogether too much, figured on the actual differential necessary between the metallic content of the ore and the ferromanganese. Figuring a loss of 29 per cent in the manufacture of ferromanganese and taking into consideration the result of imposing 1 cent duty on the ore, the differential required $1.51, or 51 cents above the 1 cent on the metallic content of the ore.

Mr. WALSH of Massachusetts. Mr. President, if the Senator from Utah will allow me, will he state how much of the proposed rate of 1⅞ cents is compensatory and how much a protective duty?

Mr. SMOOT. Seven-eighths of a cent is the compensatory duty. The Senate voted for 1 cent per pound on the manganese content in the ore. Now, in the manufacture of ferromanganese ore there is a loss of at least 29 per cent in the case of the high-grade ore. From the Tariff Information Survey the Senator will find that—

The process employed in the manufacture of ferromanganese also influences the percentage of recovery. Less metallic manganese is lost on the average in the electric furnace than in the blast furnace. It is claimed that this loss can be reduced to 10 per cent by the use of the electric-furnace method, but figures obtained on the Pacific coast show a larger loss. One of the leading concerns in that region manufacturing ferromanganese in 1918 reported a metallic loss of manganese in the manufacturing process of 30 per cent.

The average, I am told, is 29 per cent, and that is in the case of the very highest grade of manganese ore which can be obtained in the United States.

Again, I wish to say to the Senator from Montana that the coke used in the manufacture of ferromanganese from the ore is very much cheaper in England than it is in the United States.

Mr. WALSH of Massachusetts. The rate provided by the committee amendment, then, is a compensatory rate?

Mr. SMOOT. Entirely so.

Mr. WALSH of Massachusetts. That is what I asked the Senator. There is no protective duty included?

Mr. SMOOT. There is no protection whatever.

Mr. WALSH of Massachusetts. It is entirely compensatory?

Mr. SMOOT. It is a compensatory duty pure and simple.

Mr. WALSH of Massachusetts. It is my opinion that it is a fair duty in view of the duty on manganese ore.

Mr. SMOOT. There is no doubt of it at all.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from North Dakota to the committee amendment.

The amendment to the amendment was agreed to.

The VICE PRESIDENT. The Secretary will state the next amendment of the committee.

The ASSISTANT SECRETARY. On line 6, page 49, it is proposed to strike out "45" and to insert "30," so that, if amended, it will read:

Provided, That ferromanganese for the purposes of this act shall be such iron manganese alloys as contain 30 per cent or more of manganese.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. McCUMBER. Mr. President, on line 10 I desire to modify the committee amendment by striking out "20" and inserting in lieu thereof "1⅞ cents per pound on the manganese contained therein, and 15." I send the amendment to the desk and ask to have it stated.

The VICE PRESIDENT. The amendment will be stated.

The ASSISTANT SECRETARY. It is proposed to disagree to the committee amendment so as to restore the House text in the following words:

cents per pound on the manganese contained therein and.

It is also proposed to strike out "2½" and insert "1⅞," and to change the "20" to "15," so that the entire amendment, if amended, will read as follows:

1⅞ cents per pound on the manganese contained therein and 15 per cent ad valorem.

Mr. WALSH of Montana. Mr. President——

Mr. SMOOT. I will say to the Senator from Montana that that gives exactly the same specific rate upon the manganese metal or the manganese silicon that was given upon the ferromanganese that is manufactured from manganese ore. We give them exactly the same compensatory duty as ferromanganese, namely, 1⅞ cents per pound, instead of 2½ cents per pound as provided for in the House bill; and instead of giving them 28 per cent protection, as provided in the House bill, on the American valuation, we give them 15 per cent ad valorem upon the foreign valuation. In other words, the 15 per cent is the protection afforded the manufacturer of manganese metal out of ferromanganese or out of the manganese ore itself.

Mr. WALSH of Montana. Mr. President, I inquire of the Senator whether there ought not to be a differential between ferromanganese and spiegeleisen?

Mr. SMOOT. A different protective rate?

Mr. WALSH of Montana. Yes.

Mr. SMOOT. I do not think so.

Mr. WALSH of Montana. The information I have concerning this matter leads me to believe that there should be a distinction. Indeed, it seems to me that with respect to both of these products, when the duty on the manganese is taken care of, there is not really much of anything else needed, and certainly not in the case of spiegeleisen. I read from the survey, "The ferro-alloy industries," Bulletin C-1. In discussing the subject of tariff considerations, the Tariff Commission says:

(1) Spiegeleisen and ferromanganese have been classified in our tariff laws for several decades with "iron in pigs." While they are blast-furnace products, their uses and conditions of production vary greatly from those of pig iron. They belong to the general class of ferro-alloys.

(2) No question now arises with reference to the competitive position of the American producer of spiegeleisen. His raw material is abundant and cheap and his conversion costs are low. In the case of ferromanganese, however, the American manufacturer is obliged to get his raw material abroad.

They make a distinction between the spiegeleisen containing the low percentage of manganese and the ferromanganese containing the high percentage.

Mr. SMOOT. Mr. President, may I call the Senator's attention——

Mr. WALSH of Montana. Just a moment. This statement, of course, is made upon the existing condition of things, when the manganese ore is admitted free; but when the manganese ore carries a duty of 1 cent a pound on the manganese content, of course the spiegeleisen producer ought to be protected to that extent. That is, he should have a compensatory duty; but when he gets his compensatory duty the Tariff Commission tells us that there are no competitive conditions whatever, and that the spiegeleisen producer can produce it in this country just as cheaply as the foreigner.

Mr. SMOOT. The Senator's statement would be absolutely correct if no account were taken of the amount of carbon that could be contained in the spiegelized article; but the Senator will notice in this case that it must not contain more than 1 per cent of carbon. Therefore it must be made by the thermit or the aluminum process, and it must be made in small quantities. If there were no question as to the amount of carbon that would be allowed in the spiegelized article, then, of course, they could make it as the Tariff Commission says; but the amount must be limited. For instance, I call the Senator's attention to paragraph 301. There the Senator will notice that the spiegelized iron and steel and kentledge are all in the same paragraph; but that contains more than 1 per cent of carbon, and it can be treated entirely differently. That is why a clause is put in this paragraph limiting the amount of carbon that can be contained in it.

Mr. WALSH of Montana. The information I have does not make any distinction in these matters at all.

Mr. SMOOT. The Senator will notice in paragraph 301 that the duty on spiegeleisen containing more than 1 per cent of carbon is $1.25 a ton, and it is classified there with iron in pigs, iron kentledge, and so forth; but in paragraph 302 the amount of carbon in the manganese must be less than 1 per cent, and therefore it must be made by the thermit or the aluminum reduction process, which can only produce it in small quantities. That is why the change is made in paragraph 302, and it shows the difference between paragraphs 302 and 301.

Mr. WALSH of Montana. I have not been able to discover that the question of the amount of carbon in it is of consequence at all.

Mr. SMOOT. Mr. President, the manganese is not used the same as the iron. The manganese containing less than 1 per cent of carbon is used in the hardening of brasses and bronzes, and if it had 1 per cent of carbon or more they could not use it at all. It would be impossible.

Mr. WALSH of Montana. No doubt there are some kinds of spiegeleisen containing a small amount of carbon that are used for purposes for which spiegeleisen containing a large percentage of carbon is not fitted; but that is not the question. The question is, Why does it cost more to produce the one kind than to produce the other kind?

Mr. SMOOT. It does cost more.

Mr. WALSH of Montana. What information has the Senator on that point? My information is that the spiegeleisen can be produced here as cheaply as anywhere.

Mr. SMOOT. One is made in a blast furnace and the other is made in a crucible; and I know and the Senator knows that it costs more to make it in a crucible than it costs to make it in a blast furnace. All that the Senate committee gives is 15 per cent ad valorem, not 28 per cent ad valorem, as the House gives, on the American valuation; and that is the reason why the change was made.

Mr. WALSH of Montana. Does the Senator say that 1⅞ cents a pound is 15 per cent ad valorem?

Mr. SMOOT. No; the 15 per cent ad valorem has nothing to do with the 1⅞ cents per pound. That is the compensatory duty because of the fact that the Senate voted for a duty of 1 cent a pound on the manganese ore; but, for instance, in paragraph 301 the article is sold by the ton; in paragraph 302 it is sold by the pound. That shows what a difference there is in the making.

Mr. WALSH of Montana. I have not yet discovered that there is any information available to us that makes any distinction at all between spiegeleisen which contains less or more than a certain per cent of carbon. The fact about the matter is that in the case of both of these commodities, ferromanganese and spiegeleisen, the manganese itself constitutes 70 per cent of the total cost, and only 30 per cent goes for overhead and interest upon capital and labor and everything else, the labor cost being, I think, about 20 per cent of the total cost; so that, if that is taken care of, it seems to me that that is all the duty that there ought to be on either ferromanganese or spiegeleisen over and above the compensatory duty.

Mr. SMOOT. The Senator's attention was called away when I gave the reasons, at his request, why that difference of 1⅞ cents was necessary. I can repeat it briefly by saying that the loss runs as high as 30 per cent—the average is about 29 per cent—and, then, the coke is very much less expensive in England than it is in the United States. I think I have here the quotations which show the difference. The Tariff Information Survey calls attention to the loss of 30 per cent, and the Senate committee has figured it down to the very cent.

I know that the independent ferromanganese manufacturers claim that we are going to drive them out of business with a duty of 1⅞ cents. They say they are entitled to 2½, which the House gave them. I do not think it will drive them out of business, but I do know they are entitled to 1⅞ cents, and that is what the committee has given them.

Mr. WALSH of Montana. My information is that in the manufacture of ferromanganese the recovery of the metal content in the ore averages about 80 per cent, the loss being only about 20 per cent.

Mr. SMOOT. That may be true of the high-grade ore, but it can not be done with the great mass of ore that is imported,

nor can it be done with any ore that is produced in the United States.

Mr. WALSH of Montana. I can not profess to have any personal knowledge about the matter, and I am obliged to take what information is given me from official sources with respect to this particular subject. They say that the loss is not to exceed 20 per cent of the manganese content of the ore.

Mr. SMOOT. The Tariff Commission Survey says:

During the war experiments were made to ascertain metallic losses in the making of ferromanganese and spiegeleisen from ores then available. Twelve furnaces, producing about 40 per cent of the country's output of ferromanganese, showed a metallic loss of manganese in the manufacture of this alloy of 29 per cent.

That is what I stated, that the average was 29 per cent. I admit that the United States Steel Co. can import selected ore from some foreign country containing the highest possible percentage of manganese and get 20 per cent out of it, but there is no ore in the United States out of which they can get it. The average of all the ores produced by the 12 independent producers averages 29 per cent, as I stated, and the loss in the manufacture of spiegeleisen, as I stated, is 38 per cent.

It should be stated, however, in this connection that the ores used were largely American, whose silica content is relatively large.

So the Tariff Information Survey claims that the American loss is 38 per cent. We are trying to protect the ferromanganese ore produced in Colorado and Montana, and what is the use trying to protect the ore if we allow a rate upon the ferromanganese that will let the ferromanganese in and kill the ore business?

Mr. WALSH of Montana. The simple question is, What is the rate necessary in order to accomplish the result? That is the whole question.

Mr. SMOOT. If the Senator will figure from the statement made by the Tariff Commission, he will see that 1½ cents is scarcely enough, and if we are going to protect the ore—which is what the Senate committee wants to do—I do not want ferromanganese to come in to the disadvantage of the ore.

Mr. WALSH of Montana. But seeing that there is only 1 cent duty on the manganese content of the ore, it requires some demonstration to show that you have to put 1½ cents on the ferromanganese product. Let me inquire of the Senator just what have been the importations of spiegeleisen into the country under the existing law?

Mr. SMOOT. I think they were put in the RECORD the other day, but I will look them up. In 1918 there were $4,300,604 worth; in 1919 there were $4,283,541 worth imported.

Mr. WALSH of Montana. That is of what?

Mr. SMOOT. Of ferromanganese.

Mr. WALSH of Montana. I asked about spiegeleisen.

Mr. SMOOT. The importations must be very small.

Mr. WALSH of Montana. Are there any importations at all?

Mr. SMOOT. I should not think there would be very much imported. In 1918 there were $228,012 worth; in 1919 there were $1,018 worth; and in 1920 there were $277,900 worth. The Senator will find that on page 359 of the Summary of Tariff Information, about the middle of the page. That refers to the spiegeleisen mentioned in paragraph 301, not this to which we are referring, because this has not been kept separate, and I can not tell the exact figures; but I will frankly say to the Senator that it could not be very much.

Mr. WALSH of Montana. My information about it is that no spiegeleisen is imported into this country at all. I have the information now before me. For the nine months of 1921 the imports were $9,260 worth.

Mr. SMOOT. That is correct; but in 1920 there were $277,900 worth imported.

Mr. WALSH of Montana. Yes; $277,900, and $9,260 worth in the nine months of 1921. In 1919 there were $1,018 worth, and in 1918 there were $228,012 worth.

Mr. SMOOT. Why does not the Senator make a motion to put the rate on the ores lower, if he wants it, and let the Senate vote upon it? If the Senator wants a low rate, so that the ferromanganese can come into this country, let him make a motion such as I have suggested.

Mr. WALSH of Montana. I am trying to profit by the full information of the Senator from Utah. I inquired of him whether he thought there should be a different rate.

Mr. SMOOT. No; I think the rate is just as low as it can be to keep out the ore.

Mr. WALSH of Montana. If that is the case, then should there not be a higher rate on ferromanganese?

Mr. SMOOT. No; I think the rate on ferromanganese of 1½ cents is enough to equalize the duty on the ore and the ferromanganese.

Mr. WALSH of Montana. Will the Senator tell us whether he thinks that is necessary in order to equalize the conditions with respect to spiegeleisen?

Mr. SMOOT. I do.

Mr. WALSH of Montana. Does not the Senator think it is too much?

Mr. SMOOT. No; I do not. I think it is too much if the manganese contains over 1 per cent carbon, and could be made in a furnace, but where it must be less than 1 per cent carbon, and has to be made in a crucible, it is not too much.

Mr. KING. Mr. President, I would like to ask my colleague in respect to ferromanganese containing more than 1 per cent of carbon, on which a rate is recommended of 1½ cents a pound. It seems to me that a tariff of $22.50 a ton, which, as I figure it, would be permissible under this amendment, is rather heavy.

Mr. SMOOT. I will say to the Senator that the amendment which has been offered is to fix the rate at 1½ cents a pound, and we have cut the ad valorem rate of the House from 28 per cent to 15 per cent.

Mr. KING. I think I understand that.

Mr. SMOOT. The Senator was not here, and I will state briefly just what led up to this change.

The House gave a rate of duty of a cent a pound on the manganese content in the ore. The Senate Finance Committee placed manganese ore on the free list. The Senate disagreed to the committee amendment, leaving a rate of 1 cent a pound on the metallic content. That, of course, necessitates a change in the rate of ferromanganese. The House with 1 cent on the metallic content gives manganese 2½ per cent. The Senate committee, with the same rate on the manganese content in the ore, gives 1½ cent a pound on the ferromanganese. That is a particular kind of ferromanganese, as it must contain not more than 1 per cent of carbon. In the paragraph before that manganese containing more than 1 per cent of carbon is provided for. Wherever it contains more than 1 per cent of carbon, then it is made in a furnace, but where it contains less than 1 per cent carbon it must be made in a crucible, and only in small quantities.

The reason why they made the difference is that ferromanganese containing less than 1 per cent carbon is used in the hardening of brass and bronzes, and if it contained more than 1 per cent carbon it could not be used for that purpose. The 15 per cent that the Senate gives is simply the protection that is necessary for the industry, and if I am not mistaken that is exactly the rate applied in the Underwood law.

Mr. KING. I will state the point I had in mind, and I shall be glad if I may have for a moment the attention of the Senator from Montana [Mr. WALSH]. The paragraph provides that ferromanganese containing more than 1 per cent of carbon shall have a duty of 1½ cents per pound. Here is the point to which I wish to call attention:

Provided, That ferromanganese for the purposes of this act shall be such iron manganese alloys as contain 30 per cent or more of manganese.

Mr. WALSH of Montana. That refers to the item immediately preceding and not to spiegeleisen.

Mr. KING. I understand that, but I wanted the Senator's view as to the point I am about to make now. It means, I think, that iron manganese alloy which contains 30 per cent of manganese will be entitled—that is, the entire product of 2,000 pounds, instead of 30 per cent of 2,000 pounds—to a duty of 1½ cents. So if a given tonnage, taking 1 ton to illustrate what I mean, is entered at the customhouse containing 30 per cent only of iron manganese alloy it receives a duty upon the entire content, 60 per cent of which may be comparatively valueless, and the duty would be, therefore, $22.50 upon the iron manganese alloy consisting of only 600 pounds.

Mr. SMOOT. I will say to the Senator that the standard is 80 per cent. This is only put here by way of precaution. There is nothing given as to the effect the tariff will have, but if it were thrown open entirely and nothing said about it at all, we do not know what they would undertake to do. It is simply a precaution taken in the tariff measure.

Mr. KING. That may be, and yet it occurs to me that it is giving a duty upon 1,400 pounds of some other product. If the imported article contains 30 per cent of iron manganese alloy, then the whole ton would carry the duty of 1½ cents per pound, so the ore may be reduced ore so as to send in a given importation only 30 per cent and still get the entire duty of 1½ cents per pound.

Mr. SMOOT. If the Senator will read it carefully he will see it says "ferromanganese containing more than 1 per cent of carbon." If we go back of that it is "ferromanganese contained therein." It is not "if it is 80 per cent," or 65 per cent, or 50

per cent, or 30 per cent, or whatever it is. It is the amount of manganese "contained therein."

Mr. KING. If my colleague will allow me a minute, that would be all right if it were not for the proviso starting on line 4:

Provided, That ferromanganese for the purposes of this act shall be such iron manganese alloys as contain 30 per cent or more of manganese.

Mr. SMOOT. But, Mr. President——

Mr. KING. If the Senator will pardon me, if the product which is brought in be a manganese iron alloy, it needs to contain but 30 per cent of manganese in order to obtain the full benefit of 1½ cents.

Mr. WALSH of Montana. I think the Senator is in error about that.

Mr. SMOOT. Yes; the Senator is in error about it.

Mr. WALSH of Montana. I think the junior Senator from Utah is in error. It means that if it contains less than 30 per cent of manganese it is not to be deemed to be ferromanganese within the meaning of the clause and will not carry a duty of 1½ cents. If the manganese content is less than 30 per cent, it will be regarded as manganese, not ferromanganese, and will carry a duty of only 1 cent per pound, as provided in the first part of paragraph 302.

Mr. KING. I suppose that is what was intended, but the language, it seems to me, is rather confusing.

Mr. WALSH of Montana. It reads:

Provided, That ferromanganese for the purposes of this act shall be such iron manganese alloys as contain 30 per cent or more of manganese.

That is to say, anything that does not contain at least 30 per cent is not to be deemed to be ferromanganese for the purpose of fixing the duty of 1½ cents.

Mr. SMOOT. Not 1½ cents, but the 15 per cent ad valorem duty. If it does contain more than 30 per cent, then it is ferromanganese, and if it contains less than 1 per cent of carbon, then it has 15 per cent ad valorem above the 1½ cents.

Mr. WALSH of Montana. I thought I had this matter clearly in my mind, but I am confused when the Senator talks about 15 per cent ad valorem. Where does the 15 per cent ad valorem come in?

Mr. SMOOT. No; I was wrong; it is the metal that has the 15 per cent ad valorem. There is no 15 per cent at all on the item about which we are talking.

Mr. WALSH of Montana. The 15 per cent refers to molybdenum and not to manganese at all.

Mr. SMOOT. The Senator is right. Ferromanganese containing more than 30 per cent of manganese is ferromanganese. If it is less than that it is spiegeleisen and defined in paragraph 301, provided it has more than 1 per cent carbon.

Mr. WALSH of Montana. There is no specific duty on spiegeleisen, so far as I can see.

Mr. SMOOT. If the Senator will return to paragraph 301 he will see that the proviso put in there reads:

Provided, That spiegeleisen for the purposes of this act shall be an iron manganese alloy containing less than 30 per cent of manganese.

If it contains more than that, then it is ferromanganese, and that is the dividing line. The House cut it down to 15 per cent, and then changed it to 30 per cent. Thirty per cent is the proper division.

Mr. KING. Mr. President, the explanations of my learned friend——

Mr. SMOOT. If my colleague will read it just as it is, he will see that it does not apply as he thought it did:

Ferromanganese containing more than 1 per cent of carbon, 1½ cents per pound on the metallic manganese contained therein: *Provided*, That ferromanganese for the purposes of this act shall be such iron manganese alloys as contain 30 per cent or more of manganese.

If it contains less, then in paragraph 301 we say it is not ferromanganese, but it is spiegeleisen.

Mr. KING. I am not satisfied with the explanation made by the Senator from Montana or by the senior Senator from Utah. It strikes me that there will be confusion and an attempt will be made to obtain the benefits or the disadvantages, depending upon which side of the shield is to be considered, that flow from the imposition of 1½ cents per pound upon iron manganese alloys, where the imports are in products or consist of products where 60 per cent at least of the import may be of some other product, practically valueless, some other product than ferromanganese.

Mr. SMOOT. The Senator would be correct if we did not specifically state that it should be the metallic manganese contained therein. My colleague's position would be absolutely correct if those words were not here, but they are here.

Mr. KING. Let me ask my colleague a question: Does the committee intend by this provision to give a duty of 1½ cents a pound upon all products brought into the United States denominated ferromanganese alloys, where 60 per cent of the imports of the product may be waste or gang, and 30 per cent and only 30 per cent consist of ferromanganese alloy?

Mr. SMOOT. No; there is no such intention nor would this provision do it. If there were 100 pounds of that kind of product coming into the United States and it contained 30 per cent of manganese, then there is a duty of 1½ cents a pound on the metallic content, which is the 30 per cent of manganese; but if, as I said, the words "the metallic manganese contained therein" were not here, then my colleague would be entirely right. If there were 40 per cent, there would be 1½ cents on 40 pounds. If there were 60 per cent, it would be 1½ cents on 60 pounds. But if it were 20 per cent it would not fall in here at all, because it would not be ferromanganese but would be spiegeleisen.

Mr. KING. I submit to my colleague that if the bill passes in this form there will be a controversy when importations come to the customhouse and the product consists of 30 per cent only of iron manganese alloys and 60 per cent of some other product as to just what the rate of duty should be. My colleague said the rate of duty would be only 1½ cents per pound upon the metallic content—that is, the manganese alloy content—whereas it may be contended that the duty shall be levied upon the entire product, because it will be said that 30 per cent of it consists of iron manganese alloy, and therefore the entire product which comes into the United States must bear the duty of 1½ cents.

Mr. SMOOT. I assure my colleague that will never happen.

Mr. KING. I hope the construction contended for by my colleague is correct, but later on, after further examination, I may recur to it and make a motion to clarify it, if I shall not be satisfied that the construction which I think now will be placed upon it is correct.

Mr. WILLIS. Mr. President, I desire to ask the senior Senator from Utah a question, if the junior Senator will permit me.

Mr. KING. I yield.

Mr. WILLIS. The Senator will remember that we had some contest some days ago about the duty on manganese. The duty was fixed, in my judgment, entirely too high; but what I want to know is if this has been rewritten on the basis of the change then made so as to give a compensatory duty?

Mr. SMOOT. Seven-eighths of 1 cent is compensatory duty.

Mr. WILLIS. I recall the duty of 1 cent which we placed on manganese ore.

Mr. SMOOT. It is necessary because the Senate voted a duty of 1 cent upon the metallic content in manganese ore.

Mr. WILLIS. A vote which I think ought not to have been taken.

Mr. KING. Mr. President, I want to put in the RECORD a brief statement, if it has not heretofore been put into the RECORD, showing the domestic production and the imports of ferromanganese.

In 1908 the domestic production was 40,000 tons plus—I will not give the odd figures. That production increased until 1920, when we produced 295,447 tons. In 1918 we produced 333,027 tons. The imports in 1908 were 44,000 tons; in 1918 they were 27,000 tons; in 1919 they were 33,000 tons; in 1920 they were 59,000 tons; and in 1921 they were only 9,057 tons. I have not the production for 1921; I have not obtained that from the Tariff Commission; but, as stated, in 1920 the total domestic production was 295,447 tons.

The imports for last year consisted of only 9,057 tons; yet, in the face of that limited import, and a domestic production beyond the 200,000-ton mark, and over the 300,000-ton mark in 1918, it is proposed to place the very high duty of 1½ cents a pound upon the product. It seems to me that it is entirely too high, and I do not think it may be justified.

Mr. WALSH of Montana. If the Senator from Utah will pardon me, I wish to express my concurrence in the view now expressed by him. I read from the Tariff Survey as follows:

According to figures secured by the Tariff Commission on the cost of production, about 70 per cent—

Seventy per cent—

of the total expense of manufacturing ferromanganese is the price paid for the manganese in the ore. Hence ore cost is important in determining the competitive position of the American manufacturer.

Now, with reference to the other 30 per cent, the survey states:

With reference to conversion cost, the American producer is at no disadvantage compared with his English competitor. Coke is cheaper in the United States than in England, and the higher wage rates prevailing here are offset in a measure by larger furnaces and greater output per man employed.

So all that it is necessary to do is to take care of the compensatory duty. There is a loss in the conversion of the ore into ferromanganese that should be taken care of in the compensatory duty. Now, what should that be? I continue reading:

As manganese ores and ferromanganese and spiegeleisen are on the free list—

That is, under existing law—

no question now arises in regard to compensatory duties. Should, however, duties be levied either on the ores or on the alloys, the question of compensatory duties would arise. In passing from one stage of manufacture to another, there is always some loss involved, and this loss should be allowed for in imposing compensatory duties. In the manufacture of ferromanganese the recovery of metal contained in the ore averages in good practice about 80 per cent.

So that, there being no difference in the conversion cost, and the only thing we are obliged to take care of being the compensatory duty, we have got to compensate upon the basis of a loss of 20 per cent. Accordingly, Mr. President, we should give 25 per cent on 80 per cent; that is to say, a duty of twenty-five one-hundredths of 1 cent a pound will take care of the loss in conversion; so that the compensatory duty on ferromanganese should be one and one-fourth cents. That is what it should be according to the information here given us by the Tariff Commission. A compensatory duty of one and one-quarter cents will take care of the duty on manganese so far as conversion costs are concerned.

Mr. President, I am not going to object to a duty of one and seven-eighths cents per pound on ferromanganese; but I want it distinctly understood that the difference between one and a quarter cents and one and seven-eighths cents is not a protective duty at all so far as the principle of the difference between the cost of production in one place and the other is concerned. If it is said that the difference between one and a quarter cents and one and seven-eighths cents—that is to say, five-eighths of a cent a pound—is to take care of the difference in the cost of transportation between Great Falls, Mont., for instance, and Pittsburgh, why, I will let it go at that.

Mr. SMOOT. That is taken care of in the 1 cent a pound on the ore.

Mr. WALSH of Montana. Very well; then there is no justification whatever for the additional five-eighths of a cent. It is a plain gift to the producers of ferromanganese at the expense of the steel industry of the country.

Mr. SMOOT. No; but I want to say that it is a plain gift to the producers of manganese ore in Montana and Colorado. That is where the gift is and nowhere else, and let us understand it. The Senator from Montana reads from the Tariff Commission a statement in regard to the highest grade ores in all the world; a statement which was made at a time when the prices were the highest. I want to say to the Senator from Montana now that I would not be standing here asking for a duty of 1¼ cents had the Senate not by a previous vote decided that the ores produced in Montana and Colorado should be protected. The ores in Colorado and Montana are low-grade ores, and what the Tariff Commission has stated does not apply to them at all. If the Senator should vote for a rate of 1¼ cents only, the manganese ores of his State would go begging, and ferromanganese would be shipped in here instead of the ore.

I take it for granted that the Senate of the United States in expressing their wish in this matter desired to take care of the ores produced in the West, and in order to take care of those low-grade ores we had to make the rate on the ferromanganese 1¼ cents a pound.

I voted for free manganese, Mr. President; but, as I have said, if the Senator wants to move to reduce the rate of 1¼ cents now proposed let him do so now, and I will vote with him. I want, however, to tell him what the result will be. If we are going to undertake to protect an industry in the United States, what is the use of making the attempt on the one hand and then on the other hand robbing it of all that the first amendment intended it should have?

The committee decided originally to put manganese on the free list, and only gave a rate of $2.50 a ton on the ferromanganese; but the Senate decided otherwise. The Senator from Montana knows that in all of these ores the higher the per cent of silica the greater the loss in the recovery of manganese.

Mr. WALSH of Montana. If the Senator will pardon me, I stated quite frankly I did not know a thing about it. I am merely relying upon the information given to us by the Tariff Commission with respect to the matter, which is the result of a very extensive investigation.

Mr. SMOOT. I admit that what they say is true with respect to the highest grade ores shipped into the country.

Mr. WALSH of Montana. But they do not speak about the highest grade of ore; they speak of all ores and give the recovery in current practice.

Mr. SMOOT. Let us see what they do say about it:

With reference to the ores used, the recovery of manganese in the manufacture of ferromanganese depends largely upon the silica content. The higher the silica content the more manganese will be lost. The average recovery in blast furnaces when good manganese ores are used, i. e., ores containing 6 per cent or less silica and 48 per cent or more manganese, is about 80 per cent in good practice.

Is there a pound of such ore produced in the United States? Not one. If we are going to protect the western miner, let us protect him not on the ore alone but on the product made from the ore.

Mr. WALSH of Montana. What percentage does the Senator think the Tariff Commission was speaking of when it said that the loss was 20 per cent?

Mr. SMOOT. It says here containing 6 per cent or less silica.

Mr. WALSH of Montana. How much?

Mr. SMOOT. Six per cent or less of silica. The ore has to be of that high grade in order that 20 per cent may be recovered. I understand that the United States Smelting Co., when they first began to import those high-grade ores, which now they can not get anywhere in the world, did recover 80 per cent, but the Tariff Commission in the same report state that the average for the 12 concerns manufacturing in the United States is 29 per cent.

Mr. WALSH of Montana. I was not inquiring about the silica content. The Senator spoke about high-grade ores. What kind of ores does he mean?

Mr. SMOOT. Fifty per cent and above.

Mr. WALSH of Montana. I understood that the classification heretofore made was 35 per cent and above.

Mr. SMOOT. I will say to the Senator the Tariff Commission says in this very report that their statement applies only to ores containing 6 per cent or less silica and 48 per cent or more of manganese. The Senator knows that the ore produced in Colorado and Montana carries only about from 35 to 36 per cent. The highest that was ever shipped was only 37 per cent.

Mr. WALSH of Montana. My recollection is it was 42 per cent.

Mr. SMOOT. I have not seen any record to that effect, although I did see one record which gave the figure at 37 per cent.

I feel that the Senate placed a duty of 1 cent a pound upon the metallic content of manganese ore for the purpose of protecting the production of the United States, and in order to protect the ore there must be a differential of seven-eighths of a cent on the ferromanganese, or else, instead of the producer of the ore having protection he will have none, for it will come in here in the shape of ferromanganese and not in the shape of ore.

Mr. UNDERWOOD obtained the floor.

Mr. KING. Mr. President——

Mr. UNDERWOOD. I yield to the Senator from Utah.

Mr. KING. Mr. President, when I yielded to the Senator from Montana I was calling attention to the domestic production and the imports for the year 1908 to 1921, inclusive. I will ask that the table to which I have referred may be printed in the RECORD at the conclusion of my remarks.

I will state in conclusion that at a time when there was no tariff duty on the ore, as I understand, and the ferromanganese came in free of duty, the importations last year were only 9,057 tons, while the domestic production in 1920 was nearly 300,000 tons; and yet it is proposed to allow this enormous rate of 1¼ cents per pound upon the product. I repeat that in my judgment it is indefensible.

The VICE PRESIDENT. Without objection, the table referred to by the Senator from Utah will be printed in the RECORD.

The table referred to is as follows:

Year.	Domestic production.		Imports (consumption).		Exports.	
	Quantity.	Unit value.	Quantity.	Unit value.	Quantity.	Unit value.
	Tons.		*Tons.*		*Tons.*	
1908	40,642	$44.31	44,624	$41.70	.....	.....
1909	82,209	42.73	88,934	38.19	.....	.....
1910	71,376	40.49	114,278	37.99	.....	.....
1911	74,482	37.28	80,263	37.56	.....	.....
1912	125,378	50.40	99,137	39.41	.....	.....
1913	119,495	57.87	128,070	44.37	.....	.....
1914	106,083	55.80	82,997	43.61	.....	.....
1915	149,521	92.21	55,263	60.33	.....	.....
1916	221,532	164.12	90,928	101.62	.....	.....
1917	260,125	309.17	45,381	134.58	.....	.....
1918	333,027	250.00	27,168	156.75	.....	.....
1919	185,357	137.24	33,022	129.71	2,999	$148.66
1920	295,447	188.00	59,254	131.22	3,454	186.03
1921	.....	.....	9,057	98.09	690	145.61

Mr. UNDERWOOD. Mr. President, I will not take much time in discussing this paragraph. The facts in reference to it have already been put in the RECORD, but I wish the RECORD to show the philosophy of this action.

In the first place there was nothing consistent in the action of the Senate in placing manganese ore on the tax list. Manganese ore is a commodity that is necessary in the production of certain classes of steel, but it is no more necessary in the production of such steel than is iron ore or coal. Iron ore is the basic material from which steel is made. Manganese ore is merely used as an alloy for the purposes of hardening steel. Coal is necessary. Now, the Senate has left coal and iron ore on the free list—and I do not object to that—and put manganese ore on the tax list.

Of course, Mr. President, we know that when the raw material of any product, whatever it may be, is placed on the tax list the excuse is given—and sometimes it is a necessary conclusion—that a compensatory duty must be levied on the finished product. Why start in this industry—it does not relate to any other industry than iron or steel—by taking some part of the raw material and putting it on the tax list and leaving the other part of the raw material on the free list? There is no logic, there is no reason, there is no system whatever in such a procedure. Either one is right or the other is right.

If this tariff bill is being written solely for the purpose of playing favorites, if special friends are to be taken care of within the folds of this bill that they may make money whereas otherwise they would not, then let the country know it; let us have the reason for it, but if you are going on a system of taxing raw material why not tax it all? Why not be consistent about your theory? You are not, and therefore I assume that the basis is that if you are friendly to one man you will erect a tax wall in his favor, and if you are unfriendly to another you will tear it down, and that that is the basis of taxation as contained in this bill.

Of course I have never seen any logic in the proposal or reasoning that because some commodity is contained in the ground and lies there the man who happens to own the surface and can dig down and get it is entitled to have a tax levied on all of the American people to make valuable to him a commodity that is under his ground and that is not valuable unless you levy the tax. Until you start to take it out of the ground there is no labor in it. In all human probability he paid for the ground, or the original purchaser did, when there was not any tax on it. He paid for it without tax. He acquires the property and then asks the Government of the United States to increase the value of his property by levying taxes in his favor.

As to ferromanganese, of course the cry may come here that it is necessary to levy this tax on the raw material because we may be in danger of being short of this commodity during war times if we do not build up the industry. As a matter of fact, Mr. President, the raw material was on the free list when the Great War broke out, and immediately men went into the manufacture of ferromanganese from ferromanganese ore, and overnight the industry was developed in this country. One of the greatest plants is in my State, at Anniston, where they converted some old plants into an electrical furnace and made a very large portion of the ferromanganese that was used in this country during the war. When the war was over they scrapped the plant, so that the excuse can not be offered that you have to do it in order to protect the Nation, because it is a thing that you can do in two or three weeks. The manufacture of this product is not a process that needs any great degree of labor. I assume that in the future most of the ferromanganese will be made through the electrical furnace. Of course, I realize that there are furnaces built on the basis of the old pig-iron furnace, where they originally made it, that will be continued, and gentlemen having manufacturing plants that are not in line with the progress of modern methods will necessarily ask the people of the United States to allow themselves to be taxed in order that they can preserve their ancient methods of production. That is human nature. I do not suppose it is worth while to take the time to criticize men who believe that they are such superior creatures that they are entitled to have the power of the Government exercised in favor of their own pocketbooks; but what I do complain about is this:

Your party 40 or 50 years ago started out in favor of a protective tariff. You adopted that system. It was not the beginning of the protective tariff system, but you adopted it when your party was born, and you said you did it in order to build up the industries of America, to allow these infant industries to build and grow strong and develop. I do not say the protective tariff has done it; it may have helped in a degree, but I think the great iron and steel industry, because of the great supply of raw material and American genius, would have been built up anyhow; but, at any rate, whether your theory builded it or not, it is here. The giant is born. It is no longer a baby in swaddling clothes. It is going out into the markets of the world, the master in its line of production, if you give it a chance, if you give it an opportunity; and yet we find that because you want to favor some particular individual or corporation, notwithstanding this giant is able to go out, if you take the shackles off of him, and fight unhampered in the markets of the world for the trade of the world, you are proceeding to try to put him back in swaddling clothes, and you do that every time you tax his raw material. Every time you levy a tax—I do not care whether it is the manufacture of steel and you tax ferromanganese, or whether it is the manufacture of chain and you tax the billets or the bars out of which the chain is made—every time you tax the raw material from which some of these commodities are made you are chaining down to earth a great giant of industry.

There is no excuse for it. No matter whether you are a protectionist in theory or not, there is no excuse for this; and I think it is next door to a crime when you have a material like this already on the free list, when you can make it. Your party never levied taxes of this kind during the life of the Republican Party on most of these ferro-alloys. There are one or two exceptions. You have most of them in the same tax classification as pig iron. There are one or two exceptions, but you have most of them taxed along with the low rate of pig iron. When the present law was adopted I realized that there were some real exceptions in reference to ferro-alloys that would produce revenue, and that some of them were entitled to a reasonable tax, and I separated the ferro-alloys from pig iron and made the ferro paragraph; but I was not wild enough to go and levy a tax on things like ferrosilicon and ferromanganese, where the only purpose of the proposition would be to make it more difficult for the steel mills to march out into the world's markets and command the world's trade, and when it was unnecessary. You have had these things on the free list, and, as the Senator from Utah has pointed out, the importations have been very small. They have not seriously affected the industry, and they will not.

Mr. President, I know that my voice in this Chamber can carry no weight on this bill, and that you will go on and do this foolish thing. I believe that the tax you have levied in this bill on ferromanganese—although I will not say it positively, because I am not dead sure about it—is in excess of what is necessary to make a compensatory duty for the tax the Senate has put on manganese ore. I think you will carry a degree of protection besides the compensatory duty; but you ought to strike out both of them. You ought to give this giant in industry a chance to battle in the markets of the world, and there is no use in talking about going ahead and helping the consumer on the finished product if you are going to tie down the industry before it gets a chance to come to the markets.

So, Mr. President, I only rose to say that I hope this amendment will not be agreed to, and that ferromanganese may go back on the free list where it belongs. I suppose, however, my hope will be in vain.

Mr. McCUMBER. Mr. President, it is not for me to say that the Senate did a foolish thing in overruling the views of the committee and putting manganese upon the dutiable list at $20 per ton. The Senate in its wisdom or unwisdom did so, and it is for the Senate now to determine whether or not, having put manganese upon the dutiable list, we should give a compensatory duty to ferromanganese. I can not imagine any benefit that would accrue to the owner or miner of manganese ore if he is to have a duty while ferromanganese is allowed to come in free, and I think that the Senator from Alabama will concede that even if the Senate did a foolish thing in putting manganese ore upon the dutiable list, it ought to put ferromanganese upon the dutiable list.

Mr. UNDERWOOD. If the Senator will allow me a moment. I am not contesting the logic of his argument. All I say is that two wrongs never made a right, and I know that both of these propositions are wrong, and therefore I shall vote against both of them.

Mr. McCUMBER. Even from the Senator's standpoint, one wrong necessitates action to meet that wrong; so, in either instance, we would have to have the compensatory duty.

Mr. WATSON of Georgia. Mr. President——

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Does the Senator from North Dakota yield to the Senator from Georgia?

Mr. McCUMBER. I yield to the Senator.

Mr. WATSON of Georgia. In northern Georgia there are as rich deposits of manganese as can be found, and not one single letter or message have I received from anybody in northern Georgia asking for this tariff duty; and I really should like to know where this demand comes from.

Mr. KING. Mr. President, before the Senator answers the question of the Senator from Georgia, may I submit one, so that he can answer the two? It has been suggested by the Senator from Montana [Mr. WALSH]—and it seemed to me as he was speaking that his position was accurate and could not be controverted—that the compensatory duty provided by the committee is entirely too high; that perhaps 1¼ cents would be an adequate compensatory duty to be carried upon this alloy.

Mr. McCUMBER. On that of 50 per cent, or a higher grade. If you take the manganese ore of a lower grade, then it would require from 1¾ to 1¾ cents in order to get an adequate duty. I think the Senator's colleague has sufficiently explained that.

I am not going to get into a controversy with my friend from Georgia on the question as to whether any Georgia people have requested this duty. The Senate put a duty on manganese ore, and in that action it overruled the committee; and having been overruled upon that item, the committee felt that it was necessary to make this change in order to give a compensatory duty on the products of the ore.

I want to say just a word with reference to the argument of the Senator from Alabama [Mr. UNDERWOOD]. It is true that some 70 years ago we began placing a protective tariff upon commodities for the purpose of protecting what were then infant industries. At that time nearly three-fourths of our population were rural and only a little over one-fourth of our population were living in cities. As a result of protection we have a country now in which less than one-third are rural and more than two-thirds live in our cities and are engaged in manufacturing and commerce.

It is true that we developed the infant industries until in many instances they became giants, but we can not forget that along with the growth and development of those infant industries into mighty giants there came a gradual raise in laborers' wages, in standards of living, resulting in a higher standard of living, and in our cities especially and even greater in the agricultural communities.

We have given labor a much better wage; we have reached a far higher standard of living. The question now arises, will you strike down the giant which is still giving that advantage to the American workman and to the greater portion of the American people? I do not think it would be beneficial to the country to now kill the giant because we think it has become overgrown. From the standpoint of the agriculturists I still prefer to have two-thirds of the American people consumers of agricultural products produced by the other third than to reverse the situation and have two-thirds producing food and agricultural products for the use of the other third.

If I believed for a single moment that we would help the rural communities—that we would help agriculture—by striking down the other industries of the country, I might be led to the belief of those Senators on the other side who are against any kind of protection, but believing that we should maintain those industries, believing that we should have as many consumers of agricultural products in the United States as possible, and believing that we should not reduce the standard of living or the high wages in the United States any more than is absolutely necessary, in order that there may be free buying and selling between the different classes and the different sections of the country, I should still maintain the propriety of having reasonably high protective tariff duties.

I agree with the Senator from Alabama in the statement that if there is no necessity for any tariff upon steel products up to a certain degree of manufacture we should give no protection, but I am yet to be convinced that that is the case.

Mr. UNDERWOOD. Mr. President, I always listen with much interest to the remarks of the Senator from North Dakota. He speaks well, and he speaks convincingly if you admit his premises, but he is still dreaming in a theory of the past. He defends his proposition that he is not willing to strike down a giant of industry by taking off the tariff. I have asked nobody to strike down a giant of industry or any other giant. I have merely pointed to the fact that this great giant in the iron and steel industry is already walking the face of the earth, combating with men all over the earth in the marts of trade, and if the fact that he can fight abroad does not demonstrate that he is able to fight at home nothing will demonstrate the proposition. The only thing I am saying for him is, give him a chance; take the shackles off him; do not tax the raw material he must have out of which to make his products, and take the tax off these great products.

If the Senator from North Dakota had merely consented to leave alone the rate in the present law on the heavy products of iron and steel, I would not have indulged in criticism, although I think they are too high. I would have been willing to let time demonstrate that they are too high. But the Senator and his committee are not content with that. Although it is demonstrated that this great industry, under a low tariff with many of its products on the free list, has gone through nearly a decade of the most wonderful growth in its entire history, and has marched out into the markets of the world to a greater extent than ever before, without rhyme or reason the Senator proceeds to raise the taxes all along the line, to increase the taxes.

This is not a question of building up the industries of the towns and cities in order to supply markets for the agricultural interests. The agricultural interests had the market during the operation of the present law. There never was a greater production in this industry than during the war, and it would go on now, under the rates in the present law, if the country were not suffering under the depressed times which have been existing for the last year and a half.

But there is another statement in which I do not agree with the Senator. I have never been one of those who denied that the levying of a protective tariff may have fostered or stimulated the growth of industry in this country, just as exactly as you will stimulate a plant by pouring fertilizer on it, and as long as it was a stimulation of which the public got the advantage, and was not solely levied in the interest of selfish monopoly, I did not voice much criticism about it. But the time has come when you have built the monopoly, and it is prepared to stand alone in the markets of the world and fight its own battles; but you bring in a bill to foster it in the interest of a special few.

But there is one thing I am not willing to admit on the record, and that is that this system has improved the living conditions of America. Our grandfathers may not have ridden in automobiles; they may not have been able to buy Florida strawberries in the middle of winter; they may not have been able to secure their fish out of a refrigerating plant which had kept it from time immemorial. But their health was much better; they lived in more comfortable houses, although those houses may not have been heated by a steam-heating plant; they ate better and purer food, and they had more of it in our grandfather's time, and although they may not have had the latest patterns from Paris, and may not have worn as many clothes, when they bought a woolen suit they bought it cheaper, and it was all wool and not shoddy.

Mr. KING. The Senator might state that our grandmothers wore more clothes than the ladies now wear.

Mr. UNDERWOOD. Yes; in our grandmothers' time the high cost of living had not forced the dresses down to the size of a pocket handkerchief, and they really were wrapped in some clothes that were visible to the eye.

I am not willing to concede that this stimulated growth which has driven the population of America into the cities, which the Senator from North Dakota desires to keep in order that there may be greater markets for those engaged in agriculture, has improved either the health or the morals or the living conditions of the Nation.

Mr. McCUMBER. Mr. President, if the Senator thinks that our grandfather days and the methods of living then were better than they are to-day, I do not blame him for being against a protective tariff. I can imagine some of those good old conditions of which the Senator speaks. I can imagine the good housewife at midnight, with her knitting needle, working away into the wee small hours of the morning to make stockings for her little brood. It might be that four or five of the children would be stuffed into a trundle bed that was shoved under the other bed to keep it out of the way during the daytime. If the Senator thinks that was a more healthful condition than the present way of living, I can not agree with him. With all of our wickedness, which perhaps has grown out of our prosperity, I can imagine the difference between the conditions of the present day and of our grandmothers' day, when the good woman was married in her black gown and kept that old silk gown for her shroud when she should die, and it was perhaps the only good dress she had for 40 or 50 years. I confess I would rather see the conditions of to-day.

I can remember how our grandmothers used to file out of church with their polka-dot dresses, which they wore for 10 or 15 years, and I can not help comparing them with the beautiful flower garden you will see when any church door opens to-day, when we see the beautiful faces and the beautiful dresses and the beautiful women filing out of church, and you thank God that you are living to-day and not in your grandfather's day.

It may be that we have become a little more restless. When people only work 3, 4, 5, or 6 hours a day, they perhaps are not as solid in their conservatism, and so forth, as our grandfathers, when they had to work 18 hours in the day. But after all, I think that we are in a far better condition to-day, and if a protective tariff has helped us in any way in reaching that condition, then thank God for it, and let us firmly and unitedly support it.

Mr KING. Mr. President, the Senator from North Dakota [Mr. MCCUMBER], like most devotees of extreme protectionism, have attributed all industrial progress and the increase in the wealth of all countries to high tariffs. If his theory be true, then China, which had for centuries practically a complete prohibition of imports, ought to have been enormously rich. Great Britain's wealth increased as if by magic when she removed the artificial barriers erected by foolish tariff laws. Of course, some nations possess such inexhaustible resources that more or less of prosperity will result regardless of taxation, direct or indirect, levied upon the people.

The United States, because of its extensive area and its great natural resources, was bound to develop and become a rich and prosperous country. Congested countries in the Old World required an outlet for their population, and the fertile plains of the great agricultural areas of the United States attracted their attention, and America became their adopted country. With the great increase in population, largely due to immigration, a variety of industries were developed.

History reveals that even in countries where the agricultural resources were the greatest, as the population increased the activities of the people became more varied, and industries belonging to other categories than agriculture were developed.

The question of transportation was an important consideration in the development of manufacturing and other industries in the United States. When great agricultural sections such as the Mississippi Valley were settled and a large population was developed, manufacturing enterprises were bound to be established. In a country as large as the United States, no matter what conditions exist abroad, there will be developed what some denominate home industries, and manufacturing enterprises will constantly increase in number and production.

The United States, because of its large population and varied resources, and the superior qualities of its people, was inevitably destined to develop industrially. The genius of the American people would not be satisfied with a purely agricultural country. I repeat when I say that the inexhaustible agricultural and other resources of the United States compelled its development industrially and made imperative the building of mills and factories and the establishment of a multitude of enterprises. Europe, 3,000 miles and more from our eastern shores, was at a disadvantage in many respects in marketing her products on this side of the Atlantic, and these disadvantages increased as the markets in the United States were remote from the Atlantic. Oceans that separated the United States from Europe and Asia constituted tariff walls, and, in many instances, embargoes, and gave to the American manufacturer an immense advantage over his would-be foreign competitor.

The virgin resources of this great Nation are so stupendous that even with unwise legislation and hampering and restrictive policies, it was bound to become a great commercial and financial power in the world, and, indeed, to become supreme in those fields which determine the true standard of a nation's worth and greatness. In addition to the varied and rich natural resources of our country, we have a people whose virtues and qualities compel them to march forward and to lead the van in industrial progress, as well as in liberal and enlightened policies.

While according to the peoples of other lands due honor and full recognition of their virtues and achievements, it is not too much to say that we have in the United States such a blend of races as inevitably would produce a mighty people destined to accomplish mighty things and to hold high the standard of civilization and progress.

Reactionary Republicans have sought to arrest the progress of this Nation, to bind and shackle the American industries, and to close the ports of the world to our ships and to our products. There are Republicans who regard the tariff as the supreme issue in our political and industrial system and who believe that prohibitive tariffs are specifics for all domestic or national ills. There are those so saturated with the poison of protectionism that they are blind to the economic forces of the world and to the fundamental principles upon which trade and commerce rest.

It has been urged during the progress of the debate upon this bill that the tariff rates must be so high as to keep out every commodity that possibly might be produced in the United States. Of course, this view belongs to the Dark Age, not to an enlightened progressive age; and yet intelligent Republicans, with the utmost naïveté, stand before us and proclaim it.

There never was a time in the history of this Republic when we so much needed foreign markets, not only for our agricultural products but for the products of the mine, the mill, and the manufacturing plants. No country has made greater progress in agriculture than this. Our farmers are becoming scientific agriculturists, and the annual yield of our fields and farms is increasing to a most remarkable degree. We are learning the secrets of nature and using them in our agricultural activities, and indeed in all branches of the industrial life of the people. The remarkable improvement in agricultural machinery has revolutionized farming, and it will not be long before the labor of one man upon the farm will yield more than the labor of a score of men a few years ago.

We have millions of acres of land yet to be cultivated and millions of acres which have been cultivated rather imperfectly which, with intensive cultivation, will yield richer rewards than are now comprehended. We can greatly increase our cotton yield. All forms of agricultural products can also be increased almost beyond computation. And the farms are now becoming attractive. Schoolhouses are being taken into every agricultural section, and with the improvement in our highways and increase in the use of automobiles, the construction of electric interurban railroads, the cities are being taken to the people.

Agriculture is only in its infancy in this Republic. We should have for export tens of millions where there are now millions. And no people have been as inventive as those in the United States. The success of the American people along the lines of invention has been phenomenal. We are constructing machinery not only of the highest grades but of the greatest utility. We are building manufacturing plants that surpass any to be found in the world. It is but a few years ago that the cotton mills of Great Britain were perhaps the best in the world. To-day Great Britain and all other nations lag far behind the United States in the character and efficiency of their mills. The American workmen are more alert and resourceful than those in any other country, and the results of their labor are very much greater than those of any other workmen. While it is true the American workmen are paid higher wages, the fact is that they produce more than those employed in similar work in other countries. I feel quite sure that in many industries, measured by the results of their effort and their labor, many American workmen are paid no more than that received in the same industries in some European countries. In other words, the American employee is paid a greater per diem, but in many industries he receives no larger compensation, measured by the products resulting from his effort.

The Senator from North Dakota seems to think that our agriculturists are only concerned in supplying the needs of our manufacturing centers and manufacturing population, and that our manufacturing industries are to be content with supplying their own needs and the requirements of the agricultural population. Mr. President, as I have stated, our agricultural resources are so great that we can not only feed the people of our country, but we can annually produce for export products of the value of billions of dollars, and our industrial development is such that our mills and factories and mines must find markets in other lands if the people of the United States are to have assured prosperity. No country can compete with the United States in most industrial lines. We have inexhaustible coal measures, mountains of copper and lead and zinc and other metals. We have the great primary products which constitute the foundation of our chemical and all other classes of industries. Europe is now waiting not only for raw materials and primary products of all kinds, but also our finished products.

What is needed in the United States is greater production, and what the world needs to-day is increased production. Production is the source of wealth; indeed it is wealth. The wealth of the country is measured not by gold and silver, but by its production. The United States needs to-day millions of additional homes, and with the erection of these homes the additional wants thus arising must be supplied. With the increase in homes, the demands for the articles and commodities essential therein will be increased, and as these demands are satisfied increased production must be had. The world is crying for larger production. Hunger and want exist in many lands, and yet unwise and foolish leaders and statesmen busy themselves in offering obstacles to production and to satisfying the necessities of the people.

This bill is an exhibition of this unwise and what I believe to be reprehensible policy. Instead of aiding domestic production

it will tend to restrict; instead of aiding the American people to obtain markets for their products and to increase their production it will operate as a dam to retard the current which should bring prosperity to the people. I suggest to my distinguished friend from North Dakota that this bill which bears his name, and I feel constrained to say that it will not add to his glory, is not in the interest of the American people. It will add to their burdens, it will increase their taxes, it will multiply their difficulties. Those who will be benefited by it are certain manufacturers and certain industries whose representatives have been most potent in the framing of the schedules which we find in the bill before us.

The Senator from Alabama [Mr. UNDERWOOD] has just pointed out in a clear manner the difference in a tariff to aid what might be called an "infant industry," and which may contribute temporarily at least in the development of a new industry, and a tariff where the industry has been established and is controlled by gigantic corporations, which in their operation constitute a practical monopoly. The Senator from North Dakota apparently fails to appreciate the difference between a new industry and an industrial condition where billions are invested and monopolistic control is found. This bill is not framed upon the theory of protecting infant industries. It seeks to perpetuate the control which monopolies and great corporations have of the domestic markets of the United States. It turns over to gigantic organizations the practical control of our industries and legalizes the extortionate prices which these organizations compel American people to pay; but it does more. It injures the American people and indirectly hurts the domestic manufacturer because it closes the door to foreign trade.

This country, because of its varied resources, may have a measurable degree of prosperity with comparative isolation from the world, but we deny to American citizens the rich patrimony of abundant and overflowing prosperity, and also fail in our duty to the world if we pursue such a course, and we also fetter the American people to such an extent that they cease to be a factor in international trade and commerce, and are prevented from wearing the crown of moral leadership in the world.

The American manufacturer is most unwise to use the power of taxation, as it is being used through the instrumentality of this bill, to obtain monopolistic control of the domestic market. Such a course in the end will develop discontent among the American consumers and create resentments against manufacturing interests and many classes of producers which will eventuate in hostile and perhaps extreme drastic legislation. It will provoke a demand for high taxes and for the perpetuation of an exaggerated excess-profits system of taxation, for an increase in income taxes, and perhaps for Federal control and regulation of all interstate commerce. The monopolist, the big corporations, the big business interests of the United States are blind to their own welfare when they demand these outrageous taxes levied by this bill. They are sowing the wind; they will reap the whirlwind. The leaders of the Republican Party are foolish in the extreme when they urge this bill. They not only are betraying the American people but they are striking a deadly blow at their own party. No political organization in this country can long remain in power when it is controlled by corporations or trusts or special interests or any particular group or class. The majority of the American people are opposed to group or class government, and undoubtedly they will visit their wrath upon any political organization which permits organized wealth or great corporations or monopolistic enterprises to dictate legislation, particularly such as deals with taxes and lays tariff duties.

These great interests which are controlling the Republican Party in order to secure the passage of this bill have formed an alliance with organizations or persons claiming to represent the agriculturalists of the United States. For years the Republican Party has used the farmers of many of the States to further its uneconomic and un-American policies. The farmers have been made to believe that the high protective measures enacted by the Republicans have been for their advantage. The farmers have been fooled by the specious arguments of the Republicans, and have given their support in many States to Republican candidates. The farmers have been compelled to sell their products for prices determined and fixed in the markets of the world, and have been compelled to buy the commodities produced by the manufacturing industries of the United States at fictitious, artificial, and extortionate prices because of the heavy taxes imposed in the tariff bills enacted by the Republican Party. Some of the agriculturalists have begun to realize the deception which has been practiced upon them, and they have become partially disillusioned.

Instead of denouncing the iniquitous tariff policies of the past and the oppressive tariff taxes which have been imposed upon them, some have compromised with the monopolistic manufacturing forces, and for giving support to these extreme and oppressive rates are to be given tariff duties upon agricultural products. Of course, the manufacturers can safely promise 20 or 30 or even a higher rate of duty upon products which come from the farm and the field which do not meet, and can not meet, with foreign competition.

The agriculturalist derives no benefit from the deal. His products will not be enhanced in price, and he is being used as a tool to fasten upon his own neck and upon the necks of the American people chains of industrial bondage fashioned by the industrial trusts and manufacturing combinations of the United States.

The farmers of the United States should demand a low rate of duty upon manufactured products, and should oppose the imposition of these burdensome taxes which the manufacturers propose shall be levied by the McCumber bill.

Mr. President, this bill ought not to pass. It is economically unsound. It contravenes the fundamental principles of trade and commerce. It is hostile to the best interests of the American people. It will benefit, at least temporarily, the monopolies and predatory interests for whose benefit it is written. It is so incongruous, so complicated, so deceptive and misleading, so hateful and harmful and injurious that it ought to be killed or recommitted to the Committee on Finance, there to repose until the conditions in the world have been materially changed. This is no time to write a tariff bill. This is no time to increase the burden of taxation. The great majority which the Republican Party has both in the House and the Senate may enable them to pass this bill. If it does become a law, I make the prediction that there will be no industrial peace in the United States until it is repealed or greatly modified. If it is not a Frankenstein to devour its makers, it will at least prove to be the iconoclastic weapon with which the proud and arrogant party which now rules this Republic will be broken and shattered.

Mr. WALSH of Montana. Mr. President, the Senator from North Dakota explained the necessity of a duty of 1¼ cents per pound upon ferromanganese while there is a duty of but 1 cent on managnese by explaining that a quarter of a cent would not take care of the situation, because there is a great loss in the ores containing a low percentage of manganese. Touching the matter of the metallic recovery, I want to submit the following from the Tariff Commission:

> The manufacture of ferromanganese and spiegeleisen from manganese or manganiferous ores involves some metallic losses. It is a matter of importance to take account of such losses in view of the fact that they are of vital concern whenever the question of compensatory tariff rates arise. Unfortunately only rough general estimates can be made, as these losses vary with the ores used, the process employed, and the experience of the producer.
>
> With reference to the ores used, the recovery of manganese in the manufacture of ferromanganese depends largely upon the silica content. The higher the silica content the more manganese will be lost. The average recovery in blast furnaces when good manganese ores are used, i. e., ores containing 6 per cent of less silica and 48 per cent or more manganese, is about 80 per cent in good practice. Very seldom, with even the highest grade ore and the best practice, does it get above 85 per cent.
>
> During the war experiments were made to ascertain metallic losses in the making of ferromanganese and spiegeleisen from ores then available. Twelve furnaces, producing about 40 per cent of the country's output of ferromanganese, showed a metallic loss of manganese in the manufacture of this alloy of 29 per cent. The manganese loss in the manufacture of spiegeleisen was 38 per cent. It should be stated, however, in this connection that the ores used were largely American, whose silica content is relatively large.
>
> The process employed in the manufacture of ferromanganese also influences the percentage of recovery. Less metallic manganese is lost on the average in the electric furnace than in the blast furnace. It is claimed that this loss can be reduced to 10 per cent by the use of the electric-furnace method, but figures obtained on the Pacific coast show a larger loss. One of the leading concerns in that region manufacturing ferromanganese in 1918 reported a metallic loss of manganese in the manufacturing process of 30 per cent. This loss, however, was much larger than the average. The manufacture of ferromanganese in electric furnaces is too limited and recent to admit of any categorical statement. Furthermore, the ores used in these furnaces are mainly American and therefore of lower average grade than the foreign ores employed in blast furnaces.
>
> Practice and experience count for much in metallic recoveries. There is a great variation in the percentage of loss among new and old producers. As a rule the former show a larger percentage of loss than the latter. One of the largest and oldest manufacturers reported that its average practice in a blast furnace—

Bear in mind this is a blast furnace, not an electric furnace.

> One of the largest and oldest manufacturers reported that its "average practice in a blast furnace shows that about 17½ per cent of manganese contained in the ore is entirely lost during the process of manufacture into ferromanganese."

It should be borne in mind that 45 per cent of the ferromanganese produced in this country is produced by the United States

Steel Co. I submit, in connection with this Tariff Commission showing, that this is specifically a rate to take care of one of the great products of the United States Steel Co., which it sells to other producers of steel in this country.

Mr. WALSH of Massachusetts. Mr. President, I should like the attention of the Senator from Montana. I noticed that he referred to the fact that ferromanganese was very extensively used by the United States Steel Corporation, and that the tariff rate proposed would benefit that corporation.

Mr. WALSH of Montana. It is not only used by them but they produce it extensively, their production amounting to 45 per cent of the consumption, as I understand.

Mr. WALSH of Massachusetts. As a matter of fact, do they use all they produce?

Mr. WALSH of Montana. They sell some, although they use, of course, the greater proportion of the amount they produce.

Mr. WALSH of Massachusetts. I want to say to the Senator that my information is—and I do not think we differ in principle at all—that it was largely due to the influence of the United States Steel Corporation that manganese was put upon the free list; that ferromanganese was also through this influence put upon the free list; for all the other alloys used in making of steel bear a high duty. The provisions of the House bill show a substantial duty on ferromanganese. The Senate committee, as the Senator well knows, put manganese upon the free list, and also put ferromanganese on the free list, their action being largely due to the influence of this corporation which a few years ago purchased extensive and valuable manganese mines in South America. Thus the putting of manganese on the free list would permit the Steel Corporation to get all of its manganese without paying any duty, and enable it also to produce without this duty its ferromanganese from the manganese obtained from South America.

The information which has come to me is that the discrimination in these amendments involved in putting these two products upon the free list was due to the influence of the United States Steel Corporation exerted on the majority members of the Finance Committee. At any rate, the fact is that the House in its bill provided for a duty upon manganese and ferromanganese, and the bill as reported by the Senate Finance Committee put them upon the free list. The provisions of the Senate amendment were of undisputed value to the United States Steel Corporation, in view of its extensive deposits of manganese in South America. The conclusion is that the change was made in the interest of that corporation. So, therefore, whether my argument or the Senator's is sound, both tend to show that special consideration was given to the interest of this great trust in establishing this duty.

The PRESIDING OFFICER. The question is upon the amendment offered by the Senator from North Dakota to the amendment reported by the committee.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The Secretary will report the next amendment.

The ASSISTANT SECRETARY. On page 49, line 13, it is proposed to strike out "$1.25" and insert "$1," so as to read:

ferromolybdenum, metallic molybdenum, molydenum powder, calcium molybdate, and all other compounds and alloys of molybdenum, $1 per pound on the molybdenum contained therein—

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

Mr. WALSH of Montana. Mr. President, this entire paragraph deals with what are known as ferro-alloys; that is to say, metals which are combined with iron in the production of steel. The imposition of a duty upon manganese and manganese ore necessitates a compensatory duty on the ferromanganese. A duty is imposed upon tungsten and there should be a corresponding duty on the compounds of tungsten used for the purpose of alloys. I am inclined to think that much can be said for the imposition of a duty on tungsten and quite certainly on chromium; so that the compounds of those metals used as alloys should carry a duty; but my investigation has led me to believe that outside of the alloys to which I have thus specifically referred there is no justification whatever for the duties proposed.

Of course, if a duty of 75 cents a pound is imposed on the molybdenum content of molybdenum ore, there should be a compensatory duty as provided in the part of the bill to which our attention is now directed; but no opportunity was given to discuss the subject of whether molybdenum ore should or should not carry a duty, because there was no amendment proposed with respect to that article. New that a duty is proposed upon ferromolybdenum, the question is presented whether or not molybdenum ore should carry a duty. Of course, if the duty proposed upon ferromolybdenum is not agreed to by the Senate, doubtless the committee will be moved to make some change in the provisions of the bill in relation to molybdenum ore.

Now, I wish to submit briefly such information as we have concerning molybdenum ore as given to us in the Tariff Information Survey, designated as FL 28, from which I read as follows:

Molybdenum is used by the steel industry in the manufacture of stainless and high-speed steels and by the chemical industry in the manufacture of ammonium molybdate and other molybdenum compounds.

DOMESTIC PRODUCTION.

Previous to the war the bulk of the molybdenite produced came from small, scattered deposits in Australia, Norway, Sweden, and the United States. During the war large deposits were discovered in Colorado, and new properties were opened up in various other Western States, so that in 1915 the United States was the world's largest producer. The production in 1918 was equivalent to 430.8 tons of metallic molybdenum (861,637 pounds).

Prior to 1918 only about 50 short tons of molybdenum, or less than 30 per cent of the 1917 production, were consumed each year in the United States. The balance was exported either in the form of concentrate or as ferromolybdenum.

* * * * * * *

IMPORTS.

With the exception of 8 tons imported in 1913, practically no molybdenum in any form was imported until 1918. The imports during the last half of 1918 and first quarter of 1919 amounted to 116 short tons. In the calendar year 1919 they amounted to 53 short tons (106,743 pounds).

COSTS AND PRICES.

Molybdenum ore costs are variable owing to the "spotty" character of the deposits. The operation requires a large amount of development work per ton of concentrate. The price of molybdenite rose from 30 cents per pound in 1912 to 70 cents early in 1914. During the first year of the war the price jumped to $2 per pound, and after minor recessions reached $1.80 per pound in 1917. During that year some material sold for as high as $3 per pound and closed in December at $2.25.

In 1918 the European embargo was removed and increased production drove the price down to $1 per pound. Sales in 1919 were from 65 cents to 85 cents per pound.

* * * * * * *

COMPETITIVE CONDITIONS AND TARIFF CONSIDERATIONS.

The demand for molybdenum is expanding materially, but unless new uses are discovered for the metal or its alloys the domestic production will satisfy all domestic demands for some time. Costs at the new low-grade deposit in Colorado are as low as those obtained anywhere in the world for production in quantity.

Notwithstanding the fact that the Tariff Commission tells us this ore can be produced in Colorado as cheaply as anywhere in the world, there is a duty of 75 cents a pound put upon it.

To show how the domestic production is crowding out the imports, I call attention to the f ct that in the year 1918 there was imported molybdenum ore to the value of $123,924. Of course, it was on the free list. In 1919 the importations dropped to $77,752, and in 1920 to $9,707, and that, of course, because of the conditions to which reference has been made.

The Tariff Commission tells us, with reference to tariff considerations, as follows:

The probability of any imports of molybdenum, either as metal (or ferro-alloy) or as crude mineral is rather remote, in view of the strong position of the domestic producers, although the demand from domestic steel makers is expanding substantially.

Early in 1918 the United States became the dominating factor in the world supply of molybdenum through the completion of the new mill of the American Metal Co. at Climax, Colo. More than one-half of the total amount of molybdenum now being produced is mined in this country.

That is, more than half of all the molybdenum produced in the world is mined right here in the United States.

The Tariff Commission continues:

In case a domestic demand develops for molybdenum, competition may be expected from Canada in the domestic market if prices of over about $1 a pound are maintained. A surprising development of the industry has taken place in the last two years in Quebec and Ontario. The low-grade deposits of Canada are fairly comparable to those in Colorado, with the balance in favor of Colorado, because of the greater size of the ore body, greater quantity of production, and unquestionably lower costs in spite of lower grade ore, higher wage scale, and high mountain freights. It is believed that few Canadian producers can sell molybdenite much below $1 a pound and make money. It is possible that the Colorado plants can operate at a profit with prices as low as 50 cents a pound. At this price a great demand would develop in the home market, which has looked askance at molybdenum as a high-priced tungsten substitute in expensive tool steels, but would welcome a large supply of cheap metal. It is not likely that any other mines in the world could meet such a reduction in price of the product except at a loss.

Mr. President, so much for the duty on molybdenum ore. Ferromolybdenum is, of course, produced from the molybdenum ore in union with iron and carbon and other elements; but in the matter of the production of ferromolybdenum we are in exactly the same favorable condition that we are with respect to the raw material from which it is produced, as will appear from the Survey of the Tariff Commission C–1, at pages 133 and 134, from which I read as follows:

The cost of producing molybdenum and ferromolybdenum is high, but the greater part of this expense is the cost of the metal in ore concentrate. As in the case of ferrotungsten, the item of raw material constitutes the bulk of the total cost. At present no country is so favorably situated with reference to raw material as the United States.

That takes care of the raw material item.

The price of electric power is an important item in the conversion cost; but, as in the case of ferrotungsten, the expense of conversion is a relatively small part of the total cost. With reference to this power cost, however, the American producer of ferromolybdenum has the same handicaps that the manufacturers of other electric-furnace ferro-alloys have.

Some molybdenum and ferromolybdenum have been imported into this country during recent years, but most of it came as a result of the stocks left over in other countries after the war.

I dare say that that statement will explain not a little of the information that is given to us in the Reynolds report. I dare say the saws that the Senator told us about yesterday as being sold at less cost than American saws belong to some stocks left over after the war.

The importation before the war, as has already been seen, was prior to the discovery of the large deposits in Colorado and other Western States. To-day the American industry is not seriously threatened with competition from abroad.

Continuing:

Under present conditions there are no tariff problems connected with the manufacture of molybdenum and ferromolybdenum. Aside from the question of tariff classification, as it pertains to the ferro-alloys in general, no problem arises with reference to grades or character of tariff rates. The competitive situation favors the American producer. As imports are small and sporadic, little revenue would be derived from any duty on this metal.

The question of compensatory duties is not likely to arise, as the supply of molybdenite from domestic sources is so large that a duty on this ore would not influence prices in this country. Prices of metallic molybdenum and ferromolybdenum to steel manufacturers would not be raised by virtue of any duty on the alloy for practically the same reason. Assuming no monopoly conditions, domestic producers are in a position to satisfy the home demand for metal and alloy at prices at least as low as those prevailing elsewhere in the world.

In view of this condition of things I should like to have somebody explain why this duty is put on here. Of course some one wants it put on. There is no doubt about that. It is not here by mere accident. Somebody is asking for it, and asking for it for only one reason, which is frequently disclosed in this bill in connection with articles the importations of which are practically a nullity or entirely negligible. They want it in order to have an opportunity behind the wall thus created to raise their prices to the domestic consumer without any peril of competition from abroad.

Mr. President, in line 13 I move to strike out "$1" and insert "1 cent."

Mr. McCUMBER. Mr. President, this is one of the war babies, born in the throes of a great world conflict. It came into existence in 1914, after the war started in Europe. Prior to that time we had produced none of any account.

I look over the molybdenum ore summary table and I find the following figures of production in this country:

We produced in—	Pounds.
1910	Nothing.
1914	1,297
1915	181,769
1916	206,740
1917	350,200
1918	861,637

That shows the wonderful growth of this product since 1914. It cost considerable, of course, to produce it in this country. One ton of the material will produce only 10 pounds of the concentrate in Colorado. I have not before me the proportionate amount in the old country, but undoubtedly it is very much greater.

The factories in Colorado have shut down. The imports are coming in. There is considerable of the product of the American factories still on hand. It is being sold at about 50 cents a pound. The foreign product is sold for about 40 cents a pound, and the cost of transportation, and so forth, brings it up to about the American cost. With our own factories closed down and with a great increase in the importation of the product, knowing that this business was not in existence prior to the war, that it is closed down now, and that the product is being sold for less than the cost of production, I really think that the business of producing it in this country is worth saving.

I will read from but one paragraph of the Tariff Information Surveys:

The doubtful factor in the molybdenum situation is the market. Until recently a dependable supply of molybdenum ore has not been available, and the development of uses for the metal has been delayed on that account just as the development of a large output was hindered by doubt as to the market. Now that a large and steady output is coming from Colorado, new uses are sure to appear and an increased demand develop.

Mr. President, I think that information of itself is sufficient to justify the continuance of the production in the United States; and I think further, from the evidence before us, that without a protective duty the manufacturers in this country can not possibly compete with the importing costs.

Mr. WALSH of Montana. Mr. President, I inquire of the Senator where he gets the information that the foreign product is selling in this country for 40 cents a pound?

Mr. McCUMBER. The importing price is now about 49 cents a pound.

Mr. WALSH of Montana. Where does the Senator get that information?

Mr. McCUMBER. I have it here in a very late report in the Engineering and Mining Journal-Press of June, and the 50 cents per pound for 85 per cent is the price of the American product in the United States. My understanding is that the foreign product is sold for about 49 cents—I have not the record before me just at the present time—and that it is produced at about 40 cents a pound.

Mr. WALSH of Montana. The fact is that some of the American product has been sold for 50 cents a pound, and of course if the American product is sold for 50 cents a pound the foreign product can not be sold for any more.

Mr. McCUMBER. No; I assume that they are both selling for substantially the same price.

Mr. WALSH of Montana. So that apparently, according to the statement of the Senator, some foreign molybdenum has been sold for 49 cents, and some American molybdenum has been sold for 50 cents. That is the statement the Senator makes.

Mr. McCUMBER. At a very serious loss, so I am informed.

Mr. WALSH of Montana. The loss will be as great on the foreign production as it will on the American production, because we can produce more cheaply in America than they can produce abroad. There is not any opportunity for controversy about these facts. They are undisputed.

This is referred to as an industry developed by the war. To be sure it is. It is a new industry everywhere. The use of molybdenum as a substitute for tungsten in the production of steel is a recent discovery.

I want to read a little further from the document from which the Senator was reading about competitive conditions:

Norway can be expected to maintain a production of not over 100 tons of molybdenum a year. This figure is practically double the pre-war production, and was reached only by greatly increased costs and loss of efficiency. Competition from the above output may be expected in the European market at any price above $19 a unit (95 cents a pound).

I call the attention of the Senator to the fact that the Tariff Commission tells us that foreign producers can not compete with this country at a price less than 95 cents a pound. Of what significance is it that some molybdenum was sold, under what circumstances we do not know, for 49 cents a pound and some American ore was sold at 50 cents a pound? Of course, they are not mining molybdenum ore in Colorado just now, when the market price is only 50 cents a pound. They were not mining copper ore in Montana for nine months of the past year when copper was down to 11 cents a pound. But it was not because of foreign competition; it was because there was a lack of demand for it anywhere, either here or abroad. The Tariff Commission, in the survey, say:

Competition from the above output may be expected in the European market at any price above $19 a unit (95 cents a pound). If prices lower than this prevail a large part of the production would cease. Another factor in the Norwegian output is the probability of manufacture of ferromolybdenum with the aid of cheap electric power near the mines. The more general adoption of local reduction in Norway would not greatly reduce the cost of ferromolybdenum and is not considered of material consequence.

The doubtful factor in the molybdenum situation is the market.

That is the trouble with the 49-cent and 50-cent molybdenum. The market is not here. The production of steel has fallen off.

Until recently a dependable supply of molybdenum ore has not been available, and the development of uses for the metal has been delayed on that account just as the development of a large output was hindered by doubt as to the market. Now that a large and steady output is coming from Colorado, new uses are sure to appear and an increased demand develop. It is not possible to predict the extent of this demand or the limiting price at which it will actually develop. Some difficulty has been experienced in disposing of the great quantities of material produced in the United States. Prices were accepted that were much below those quoted, as the market and the market quotations have been lowered 50 per cent.

I really think the Senator from North Dakota ought to take into consideration whether this commodity should not be on the free list or a mere revenue rate fixed upon both the molybdenum ore and the ferromolybdenum. I see no reason at all for this duty, and I must confess that the Senator has not offered any which seems to me at all persuasive.

It is true that this is a new industry; but, apparently, we have an abundance of the ore. The mining is comparatively inexpensive as compared with the cost of mining in other countries, and I can not find any justification for the duty. I should move to put it on the free list, but this is not permitted at this time, so I ask for a vote on the amendment proposed.

The PRESIDING OFFICER. The question is upon agreeing to the amendment offered by the Senator from Montana to the committee amendment.

Mr. WALSH of Montana. I notice that only the Senator from North Dakota [Mr. MCCUMBER] and myself and the junior Senator from Nevada [Mr. ODDIE] are in the Chamber. I accordingly suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Borah	Glass	McLean	Simmons
Brandegee	Gooding	McNary	Smoot
Broussard	Hale	Newberry	Spencer
Bursum	Harris	Nicholson	Sterling
Cameron	Heflin	Norris	Sutherland
Capper	Johnson	Oddie	Townsend
Caraway	Jones, Wash.	Overman	Underwood
Cummins	Kendrick	Phipps	Walsh, Mass.
Curtis	Keyes	Pittman	Walsh, Mont.
Dial	King	Poindexter	Warren
Dillingham	Ladd	Pomerene	Watson, Ga.
Ernst	La Follette	Ransdell	Watson, Ind.
Fernald	McCormick	Rawson	Williams
France	McCumber	Sheppard	Willis
Frelinghuysen	McKinley	Shortridge	

The PRESIDING OFFICER. Fifty-nine Senators having answered to their names, a quorum is present. The question is upon agreeing to the amendment offered by the Senator from Montana to the committee amendment.

Mr. WALSH of Montana. As we are about to vote on this item, I should like to have the attention of the Senate so that I can state what it is about.

The amendment proposed relates to the item found on line 11, page 49, $1 a pound on ferromolybdenum. That is intended to be compensatory for a duty of 75 cents a pound on molybdenum in molybdenum ore.

The Tariff Commission reports that molybdenum can be produced in the United States, and actually is produced in the United States, cheaper than anywhere else in the world; that it can be produced in Colorado at a cost not to exceed 50 cents a pound; and that the foreign product can not come into competition with it until the price runs as high as 95 cents a pound. There is accordingly no excuse whatever for a duty on molybdenum ore, and there should be no duty whatever on ferromolybdenum.

These facts are not controverted or openly disputed. It is information given to us by the Tariff Commission. There is no country in the world where this ore can be produced as cheaply as it can be produced in the United States. There is no country in the world where ferromolybdenum can be produced as cheaply as it is produced in the United States, and yet there is a duty put upon it of $1 a pound.

I move to strike out "$1" and to make the rate "1 cent."

Mr. HEFLIN. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. HALE (when his name was called). I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Maryland [Mr. WELLER] and vote "nay."

Mr. UNDERWOOD (when his name was called). I transfer my general pair with the senior Senator from Massachusetts [Mr. LODGE] to the Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

The roll call was concluded.

Mr. STERLING (after having voted in the negative). I have a general pair with the Senator from South Carolina [Mr. SMITH]. I observe that that Senator has not voted. I transfer my pair with him to the Senator from New York [Mr. WADSWORTH] and permit my vote to stand.

Mr. SUTHERLAND. I transfer my pair with the senior Senator from Arkansas [Mr. ROBINSON] to the junior Senator from Pennsylvania [Mr. PEPPER] and vote "nay."

Mr. SIMMONS. I have a general pair with the junior Senator from Minnesota [Mr. KELLOGG], who is absent from the Chamber. I transfer that pair to the senior Senator from Texas [Mr. CULBERSON], and will vote. I vote "yea."

Mr. ERNST (after having voted in the negative). I transfer my general pair with the senior Senator from Kentucky [Mr. STANLEY] to the junior Senator from Delaware [Mr. DU PONT] and permit my vote to stand.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair, after having voted in the negative). The Chair desires to state that the senior Senator from Virginia [Mr. SWANSON] is necessarily absent. I promised to take care of him for the day with a pair. I find, however, that I can transfer my pair to the junior Senator from Oklahoma [Mr. HARRELD], which I do, and allow my vote to stand.

Mr. CURTIS. I wish to announce the following pairs:

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER];

The Senator from Maine [Mr. FERNALD] with the Senator from New Mexico [Mr. JONES];

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. MCKELLAR];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL].

The result was announced—yeas 22, nays 38, as follows:

YEAS—22.

Ashurst	Heflin	Pittman	Walsh, Mass.
Caraway	Kendrick	Pomerene	Walsh, Mont.
Dial	King	Ransdell	Watson, Ga.
Glass	La Follette	Sheppard	Williams
Harris	Norris	Simmons	
Harrison	Overman	Underwood	

NAYS—38.

Borah	France	McKinley	Smoot
Brandegee	Frelinghuysen	McLean	Spencer
Broussard	Gooding	McNary	Sterling
Bursum	Hale	Newberry	Sutherland
Cameron	Johnson	Nicholson	Townsend
Capper	Jones, Wash.	Oddie	Warren
Curtis	Keyes	Phipps	Watson, Ind.
Dillingham	Ladd	Poindexter	Willis
Elkins	McCumber	Rawson	
Ernst	McCormick	Shortridge	

NOT VOTING—36.

Ball	Fletcher	Moses	Robinson
Calder	Gerry	Myers	Shields
Colt	Harreld	Nelson	Smith
Crow	Hitchcock	New	Stanfield
Culberson	Jones, N. Mex.	Norbeck	Stanley
Cummins	Kellogg	Owen	Swanson
du Pont	Lenroot	Page	Trammell
Edge	Lodge	Pepper	Wadsworth
Fernald	McKellar	Reed	Weller

So the amendment of Mr. WALSH of Montana to the amendment of the committee was rejected.

Mr. SMOOT obtained the floor.

Mr. HARRISON. Mr. President——

Mr. SMOOT. I was about to make a statement with reference to the next item.

Mr. HARRISON. I merely desire to ask unanimous consent to have something printed in the RECORD. It will only take a moment.

Mr. SMOOT. I yield to the Senator for that purpose.

Mr. HARRISON. There was printed in yesterday's New York Times an article written by the leader on this side, the senior Senator from Alabama [Mr. UNDERWOOD]. It is headed "Worst tariff bill in country's history. Rates of taxation higher and less defensible than any that have ever been proposed in American Congress. Story of iron and steel." It is a very splendid article, and I ask unanimous consent to have it incorporated in the RECORD in 8-point type, so the country can read it.

There being no objection, the article was ordered to be printed in the RECORD in 8-point type, as folows:

[From the New York Times, June 11, 1922.]

WORST TARIFF BILL IN COUNTRY'S HISTORY—RATES OF TAXATION HIGHER AND LESS DEFENSIBLE THAN ANY THAT HAVE EVER BEEN PROPOSED IN AMERICAN CONGRESS—STORY OF IRON AND STEEL.

(By OSCAR W. UNDERWOOD, United States Senator from Alabama.)

One man in the Senate is seldom interviewed for publication. He is OSCAR W. UNDERWOOD, of Alabama, author of the Underwood tariff law and leader of the Democratic minority. The attack on the Fordney-McCumber tariff bill, now before the Senate, is largely in the hands of Senator UNDERWOOD, who has set forth for the New York Times what he termed "a few observations" on the bill.

"In approaching the consideration of a customs tariff bill one's viewpoint is largely governed by the principles involved. To the believer in the theory of a protective tariff a bill prepared by those advocating that theory is more than likely to receive the immediate approval of the advocates of protection without a careful investigation of the details involved in the bill.

"On the other hand, those believing in the revenue or competitive theory of tariff taxation are equally predisposed to accept the views of those advocating the theory without analysis of the details.

"I have always opposed in principle the theory of protection, and have leaned strongly to the idea that customs taxation

should be levied primarily in the interest of revenue for the Government and that all rates of taxation should be so adjusted as to allow a reasonable inflow of goods from abroad in order that the customhouse might have an opportunity to take its toll as they passed through and some degree of competition might be established. I have never contended that in the interest of a revenue tariff it is necessary to bring about destructive competition, but a tariff that fixes the rates of taxation so high as to practically prohibit foreign goods from entering the American market at all has been abhorrent to my ideas of the proper use of the taxing power of the Congress of the United States.

"Accepting the statement I have just made as to the viewpoint of approach of this subject, it is not surprising to find the Members of Congress who favor protection giving their practically united support to the tariff bill now pending before Congress. There are comparatively few men in the Congress who have given a detailed study to tariff questions and understand the resultant effect of levying either high or low rates at the customhouse.

"A protectionist who has not given careful analysis to the details and resultant effect is apt to reach his conclusion from the standpoint that the main thing to be considered is to keep the foreign goods out of the American market, and, if the rates are high enough to do that, he is prepared to accept whatever else may result. It is, of course, to be expected that with the Republican Party in power in both branches of the Congress and the Republican Party committed to the principle of protection, a tariff bill drawn along those lines should pass the Congress, and there would certainly be no complaint from those believing in the theory of protection if that was all that was involved in the issue; but there is a great deal more in the pending tariff bill than the mere question of asserting and fostering the theory of protection.

OUTSTRIPS ALL OTHER BILLS.

"There are some few low rates in the pending bill. There are some articles on the free list. But, taking it all in all, it is undoubtedly the most prohibitive tariff bill that has ever been proposed in the American Congress, and the rates of taxation are higher and less defensible than any that have ever been presented to us in the past. It looks as if those charged with the responsibility of writing the bill have accepted unqualifiedly the rates proposed by the special interests desiring protection and have not given consideration to the resultant effect on the general business of the country or the burdens that must be borne by the consumers of America. Should the bill become a law, the American people will find this out in time, but it will be after they have paid the price of the experiment.

"The Democratic Party is often charged with being a free-trade party. So far as I know, from the beginning the Democratic Party has never abandoned the system of raising taxes at the customhouse. There are free traders in the Democratic Party, and I have known of some in the Republican Party. As I understand it, the position of the Democratic Party is that taxes levied at the customhouse should be for revenue purposes only, that the customhouse is a place where revenue may be obtained to run the Government, and that it provides a convenient way of raising a certain amount of revenue; that if a revenue tax be levied at the customhouse in such a way that it does not unduly stifle competition from abroad, and the person who pays it really pays it to the Government, it is a reasonable way to raise revenue. But when a tax is levied so high that very few imports come in—and if imports do not pass through the customhouse they leave no taxes behind them—the result is merely that of raising the price, which goes into the pockets of the home producer.

"The effect of protective tariff laws, as distinguished from tariffs for revenue only, has been to tax the great mass of the American people and to increase the profits of a few. I often hear socialism and communism condemned. I do not believe in either, but it is discrimination on the part of the Government against the masses of the people for the benefit of the few that sows the seed from which grows the tree of discontent, and discontent when brought about by unjust laws reflects on the whole system of Government. I believe that the great powers of the Government are intended to be used only for the benefit of all the people, not for the promotion of special interests, and I care not whether those special interests come out of the fields of agriculture or arise from the smokestacks of a steel mill.

"I am of that school of thought which believes that the legislative branch of this Government has no constitutional right—I might say no moral right—to use the taxing power of this Government for the purpose of building up fortunes or of tearing them down. I am just as much opposed to the idea of so levying a tax, under the guise of protecting American industry, that the mass of the people must contribute out of their pockets to build up a special industry and make a few rich as I am of extending the power of taxation so far that it confiscates the property of the individual and accomplishes by the power of force of taxation what the communism of Russia has accomplished with the red flag.

WHERE THE FARMER COMES OUT.

"In my opinion, if it were not for the support given this bill by Senators who represent agricultural constituencies it would be impossible to pass it through the Senate. The argument is advanced that since taxes are to be levied on manufactured products taxes should also be levied on agricultural products, and that if the people are to be penalized for the benefit of the manufacturer they should likewise be penalized for the benefit of the farmer. Where the fallacy of this argument comes is that under the guise of doing something to help the farmer in some particular item their support is asked for a bill that as a whole means that for every dollar the farmers may derive from the bill they will pay $100 in taxes for the benefit of somebody else. In other words, for every 1 per cent of protection they are given they pay 99 per cent of protection for the benefit of other people. I do not think there is any question about that.

"Take the wool schedule, known as 'Schedule K' in the Payne-Aldrich bill, but having a number in the bill that is now before the Senate. If the tax proposed in the bill is levied, the farmer will have to pay the tax the same as does the man who lives in the city, the man who works in the store, the machine shop, the foundry, or in an office. If the analysis be worked out, it will be demonstrated that the tax of 33 per cent on scoured wool will cost the public nearly $200,000,000, of which those engaged in the growing of wool will receive something like $72,000,000, against which the farmers as a whole will pay about $99,000,000, the rest of the people will pay in proportion, while the Government will receive as its share of this enormous tax less than $20,000,000. Yet it is contended that this duty on wool will help the American farmers. I admit it will help the men whose business is raising sheep, but the other farmers of the country—those who do not grow wool but raise wheat and corn and cotton—will pay the bill; that is, a most substantial part of it, and for every woolgrower there are a thousand farmers who do not raise sheep. I do not have in mind the little farmer who raises cotton or wheat and has a few sheep on the side, but the men whose business is growing sheep and who are only a few in number when compared with the great mass of farmers who will pay so large a proportion of the tax proposed in the pending measure.

"So we find some of the proponents of the pending measure maintaining that its enactment will greatly relieve the agricultural situation in this country, because it raises the tax on their products at the customhouse. Personally I have never believed that such a tax would prove of any benefit to the American farmer. We are told how the bill is going to help the farmer by an increased tax on wheat, by increasing the tax on certain kinds of cotton, neither of which will ever be of any benefit to the farmer or put one dollar in his pocket. This talk may sound like music to the farmer, but does the farmer realize that there are also in this bill paragraphs taxing the necessities of life, necessities that are vital to the farmer, the necessities by which agriculture lives?

"When the present law was written not only were all kinds of fertilizer, which are imported into the United States and are valuable in the development of agriculture, placed on the free list but binding twine for the man who raises wheat in the West and ties and bagging for the farmer whose basic crop is cotton were likewise placed on the free list. Under this bill they propose to put these things back on the tax list, and there is no evidence that either of these industries has suffered from outside competition under existing law. Some of the fertilizers coming into this market and many of the commodities from which fertilizers are made also will be taxed under the proposed law. I am confident that the farmer will not be long in finding out these things. The items I have cited are simply illustrative. Others which concern the welfare of agriculture can be found all through the bill.

"Let us examine the steel and iron schedules. I do not believe that the agricultural masses of this country will approve a tariff bill which proposes to impose prohibitive taxes on the raw materials from which their plows, their trace chains, their agricultural implements of all kinds are made. When the present law was written it was my view that as to the heavy commodities in the iron and steel schedule the great American industry was full grown and able then, as now, to fight its own battles in any market in the world. We are the master iron makers of the world. In framing the tariff act of 1913 I put

some of the articles embraced in the iron and steel schedule on the free list. There was just one reason why the rest of them were not also placed on the free list, and that was that I realized the tariff house had been built on stilts, that it had been on stilts for a great many years, and if it was brought down by cutting the timber with an ax and letting it drop I might shock the business sentiment of the country and force a reaction on what I was endeavoring to do.

THE STORY OF IRON AND STEEL.

"Therefore I attempted to reduce the rates by lowering the tariff with a jackscrew, hoping that time would justify the course I had taken and that at a later day the entire list of heavy iron and steel commodities and other similar articles covered by the bill might also be put on the free list, when the people might understand that this country could get along without tariffs on everything and that the American consumer could not be mulcted behind a tariff wall.

"Consider the paragraphs in the pending bill that relate to iron and steel sheet plates. They constitute the basic material out of which plows are made, the basic material in the manufacture of wagons, the basic material out of which ships are constructed, the basic material out of which are built freight cars for carrying the commodities of the country to market, the basic material for almost everything found in the blacksmith shop, and so on. On these commodities the schedule is built. And under this bill the rates on iron and steel plates have been largely increased. In 1920 we produced in the United States plates and sheets totaling 9,337,680 gross tons. We imported 29 gross tons and exported and sold in the markets of the world more than 1,000,000 gross tons. These statistics tell the story. Comment is unnecessary.

"I have had to fight this iron and steel question out a good many times. The truth about the matter is this: For many years in the other House of Congress I represented a great iron and steel district. I am in the business myself. I would not willingly harm a people that I represented, but neither would I willingly betray a people I represented by taxing them unjustly for special interests. I know this iron and steel schedule, and I know that it is a fraud and sham upon the people of this country. I know that it is not even in the interest of the industry in the end, and that it is very much better for this great industry to take the shackles of a tariff off its limbs. It can compete anywhere in the world. Let it sell to the mills at home, to the blacksmith, the automobile and the wagon maker, the roof maker, at reasonable profits and develop a home market for its products. It can stand a giant in the world of industry. There is no excuse for its being wet-nursed in a baby's crib when it is a full-grown industry.

"These wool and steel schedules are illustrative of the policy followed throughout in the drafting of this bill. I might cite schedule after schedule in proof of this; for instance, the duties proposed on glass, on cotton goods, silks, chemicals, and so on, indefinitely, but that would require too much space. The man or woman who reads the bill will have no difficulty in understanding what its enactment will mean.

"Scan for a moment the administrative features of the pending tariff measure. The bill authorizes the President to adjust rates under certain conditions where they do not equalize the difference of conditions of competition in trade. I know of no measure by which you can judge of the equalization of conditions of competition in trade other than the price of the article. The bill does not make plain whether it contemplates wholesale or retail conditions. Of course, it would be very much more extreme if we assumed that it meant to equalize the difference in retail conditions, with retail profits added, than if we assumed that it referred to wholesale conditions. But it must mean one or the other.

"EQUALIZATION" NOT DEFINED.

"It must mean that the President can equalize the difference in competition in trade between foreign goods after they are landed on American soil and goods manufactured in this country, as governed by either the wholesale or retail price, because that is the only way in which the President can measure it. It does not say 'wholesale or retail prices,' but that is, nevertheless, the measure of trade conditions. For the sake of argument, however, it is my assumption that the milder form of equalization is contemplated, namely, wholesale prices.

"Where is this competition going to be equalized? Is it to be equalized in Salt Lake City, with freight rates often equaling the value of the commodity, or is it to be equalized in New York, Chicago, New Orleans, or Boston? It is reasonable, I think, to assume that the equalization will take place where the competition is met; that is, at the seaboard.

"If that is what is meant by this bill, and the President must levy a tariff duty high enough to make the wholesale price of the foreign commodity equal to the price of the home manufactured commodity—and most of these commodities are made in the interior—at the port of entry, it will mean that the moment the foreign article starts toward the interior freight rates will be added to its price, accumulating on the price above that of the wholesale American manufacturer, and that will absolutely prohibit its sale in the American market. It would therefore seem reasonable to assume that the rates will be prohibitive at the customhouse and that the foreign manufacturer will find it hard to enter the American market at all.

"If this be true, then the very terms of the pending bill have destroyed foreign competition. Of course, from the standpoint of protection, it may be argued that the American producer is entitled to the entire American market, and if it were not for the fact that this proposed law taxes the American people there might be some justice in trying to bring about such a result. But when the home manufacturer is given a monopoly by levying taxes at the customhouse high enough to prevent foreign competition, then we make the consuming masses pay the price of industrial monopoly, and, in my mind, there is no doubt that is what the pending bill accomplishes.

"In other words, the proposed law contemplates a tariff wall which will foster and build up monopoly in this country and do what the beneficiaries of the protective system have clamored for for 30 years, and which Congress has never intentionally heretofore granted them—that is, a protective tariff to protect their profits, a tariff that makes it possible for them to pyramid their profits on the cost of production, and then stands between them to drive the foreign competitor out of the American market.

"It is true that the Congress may delegate to the executive branch of the Government the power to administer legislative provisions, but it has never been held yet that the legislative branch can directly transfer to the administrative branch the power to legislate.

"In the pending bill it is to be left to the discretion of the President to fix any rate he may choose up to and including 50 per cent. We all recognize the fact that we may delegate the power, upon the happening of an event, for the Executive to put into force a tax that has been agreed upon by Congress, but it is my contention that no definite event is fixed in this bill, and that the happening is a matter of discretion with the President. There is no dispute about the fact that when the event has happened the President may exercise his power and fix any rate of taxation from 1 to 50 per cent.

SEES BUREAUCRACY AHEAD.

"I say the primary thing in taxation is the rate, and that Congress in the bill has abandoned any control of the rate of levying taxation on the American people except a limitation of 50 per cent. If that is held constitutional, then next year it can be made 1,000 per cent or 2,000 per cent, and the Congress can abandon its control of taxation entirely to some subordinate bureau of the Government.

"Of course, we all recognize that, although we are speaking in the name of the President of the United States, we are delegating to him a power which he could not exercise himself because he has not the time to put it into force. The moment we delegate this power to the President he must turn it over to a subordinate bureau of the Government to exercise for him—a bureau without direct responsibility to the American people, giving to a bureaucracy the unlimited power to control industry—the unlimited power to levy taxes on the American people.

"You can not build up a market overnight. It takes time and it takes labor and it takes money to develop and build up markets for any class of goods. When an importer comes into this country to sell boots and shoes—which he could not sell here—laces, or cotton goods, or any other necessity of life, he has to establish his distributing points; he has to establish his agencies; he has to advertise his goods and make them attractive to the American public; and when he has done that, then he finds his market and commences to sell his goods. If you fix the machinery of law so that he can only come in here on an equal basis with the cost of production with a profit added, and the American manufacturer for the time being drops his selling price just to the extent of his profit, or half his profit, he drives out the foreign goods, and they will not come back as long as that law stands on the statute books, because when you have driven them out they will not again go to the expense of appointing their agencies, developing their market, and advertising their goods for sale, when they know that under your law the American manufacturer, by giving up a part of his profits, can drive them out again. The result is that you establish an embargo,

you create a monopoly in favor of the American manufacturer, and he can exploit the American people to any extent he desires."

Mr. SMOOT. Mr. President, I can not see why the House placed a rate of 75 cents upon the metallic content of molybdenum. Evidently that is one of the industries in the United States which prospered, but with such a duty I want to say to the Senate there would be no industry in the United States because of the fact that unless the product sells in the United States at from 50 to 55 cents a pound it would not be used in the manufacture of automobile axles, automobile cranks, and products of that kind. The Senate will remember that not long ago there was a molybdenum car built, and it was then thought molybdenum would be used in the building of all sorts of cars.

Molybdenum simply displaces vanadium, and if it goes above the price of vanadium, then, of course, molybdenum is not going to be used. What is the use of a duty upon it greater than the price of the article at which it can be sold and used in this country? If used, it displaces an article, and that article at any time would be used if molybdenum costs more than 75 cents a pound. I know that the State of Colorado is interested in this industry. I know the industry is down at the heels at the present time like other industries. But this is a tariff bill that is to be permanent and I feel just as confident as I live that if a rate of 75 cents a pound is put upon the content of the ore, it will never take the place of vanadium, and unless it can do that it will not be used or produced in the United States. Therefore, I am going to move to strike out "75 cents," in line 23, on page 48, and insert "35 cents."

The PRESIDING OFFICER. The Chair desires to state to the Senator from Utah that the question, first, is upon the amendment of the committee, in line 13 on page 49.

Mr. SMOOT. Then I will move to amend committee amendment with the statement that if it is amended, I will return not only to the content of the molybdenum ore but I will also refer back to paragraph 305.

Mr. WALSH of Montana. I suggest to the Senator that doubtless unanimous consent would be given to consider first the amendment now suggested by the Senator from Utah.

Mr. SMOOT. The other course can be just as well taken I will say to the Senator, because I have them worked out in a compensatory form. I now move, on page 49, in line 13, to strike out "$1" and insert "50 cents."

The PRESIDING OFFICER. The Senator from Utah moves to amend the committee amendment on page 49, line 13, by striking out "$1" and inserting in lieu thereof "50 cents."

Mr. WALSH of Montana. The Senator intends that to compensate for the duty of 35 cents on the ore?

Mr. SMOOT. Yes; and then, I will say to the Senator, that will be reduced to 65 cents instead of $1.25.

Mr. WALSH of Montana. Then, for the purpose of presenting the matter, I move to amend the amendment offered by the Senator from Utah by making the same 25 cents instead of 50 cents, and now that a few more Senators are here, I want to read again——

The PRESIDING OFFICER. The Chair would suggest to the Senator from Montana that that would be an amendment in the third degree.

Mr. WALSH of Montana. Very well. I will say that if the amendment of the Senator from Utah to the amendment of the committee is defeated, I shall then move to amend by making it 25 cents. I desire to read the following:

> The probability of any imports of molybdenum, either as metal (or ferroalloy) or as crude mineral, is rather remote, in view of the strong position of the domestic producers, although the demand from domestic steel makers is expanding substantially.
>
> Early in 1918 the United States became the dominating factor in the world supply of molybdenum through the completion of the new mill of the American Metal Co. at Climax, Colo. More than one-half of the total amount of molybdenum now being produced is mined in this country.

Further:

> The low-grade deposits of Canada are fairly comparable to those in Colorado, with the balance in favor of Colorado, because of the greater size of the ore body, greater quantity of production, and unquestionably lower costs in spite of lower grade ore, higher wage scale, and high mountain freights. It is believed that few Canadian producers can sell molybdenite much below $1 a pound and make money. It is possible that the Colorado plants can operate at a profit with prices as low as 50 cents a pound.

And yet it is proposed to put a duty of 30 cents a pound upon that commodity.

Mr. SMOOT. I think the statement just read as to the cost of production in Colorado is a little too broad. From all I can learn, it can not be produced in Colorado at 70 cents.

Mr. WALSH of Montana. They could not be 100 per cent wrong. The Tariff Commission reports that the article can not come in at less than 95 cents. They can not produce it abroad and land it here at less than 95 cents. If the cost is 50 per cent higher in Colorado, if it costs them 75 cents, they would still have a big margin here over the foreign producer, not to speak of a duty.

Mr. SMOOT. The Senator must understand that that statement was made at a time when the price of molybdenum was a great deal higher than it is to-day.

Mr. WALSH of Montana. It does not make any difference what the price was, the statement is that they can produce it at 50 cents a pound.

Mr. SMOOT. What I am speaking of is the foreign article coming into the United States for less than 95 cents a pound. That was true at that time, but it is not true to-day. It can be shipped here for a less price than that to-day. I feel that 35 cents a pound is ample, and I think myself that it will give the industry to the companies in the United States. If the price is too high, I will say to the Senator, then they will not use it in the United States because, as I said, it is a displacement article, and vanadium will take its place and can be used for the same identical purpose, and when one rises in price above the other, the one that is the highest in price is not going to be used.

Mr. WALSH of Massachusetts. I ask the Senator from Utah if the amendment offered by him is in the nature of an amendment or a substitute offered by the committee to the amendment reported in the bill?

Mr. SMOOT. After I came into the Senate I discussed the question with all the majority members of the committee, including the chairman, and they authorized me to offer the amendment.

Mr. WALSH of Montana. In that event I renew my motion to amend the amendment and to make the rate 25 cents.

Mr. WALSH of Massachusetts. In that event the motion of the Senator from Montana is not withdrawn.

Mr. WALSH of Montana. No; that does not change the motion to amend.

Mr. SMOOT. I have already moved to amend the committee amendment.

Mr. WALSH of Montana. I understood that the committee offered this as a substitute. The committee, of course, is entitled to change its amendment if it sees fit to do so. As the committee amendment changes the rate to 50 cents a pound, my motion to amend the committee amendment is in order.

Mr. SMOOT. I will say to the Senator that the only way I know to change the rate is to offer it as an amendment.

Mr. WALSH of Massachusetts. Every time the Senator from Utah has offered an amendment in the name of the committee he has offered it personally. Whenever the Senator from North Dakota [Mr. McCUMBER] modifies a committee amendment in the bill he moves it as a substitute. What has just happened has occurred several times. The Senator from Utah is offering an amendment in his own name rather than in the name of the committee.

Mr. SMOOT. It is on behalf of the committee I am offering the amendment, I will say to the Senator.

Mr. WALSH of Massachusetts. Why is it not a substitute if it is offered in behalf of the committee?

The PRESIDING OFFICER. Does the Senator desire to withdraw the original amendment and propose as a substitute the rate of 50 cents?

Mr. SMOOT. That is what the committee desires to do.

Mr. WALSH of Massachusetts. That has been the course pursued by the other members of the committee.

The PRESIDING OFFICER. That will make the amendment of the Senator from Montana [Mr. WALSH] in order.

Mr. SMOOT. There will be no trouble about it, because should there be any trouble I would withdraw the committee amendment and allow the Senator to offer his amendment first. So long as I may substitute the rate of 50 cents for the rate originally proposed, I ask that that may be done.

The PRESIDING OFFICER. The Senator from Utah asks unanimous consent to withdraw the committee amendment and to insert for it 50 cents. Is there objection? The Chair hears none. Now the Senator from Montana may offer his amendment.

Mr. WALSH of Montana. I move to amend the committee amendment by substituting "25" for "50."

The PRESIDING OFFICER. The Senator from Montana moves to amend by substituting "25" for "50." The question is on the amendment of the Senator from Montana to the committee amendment.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now recurs on the committee amendment.

The amendment was agreed to.

Mr. SMOOT. Now I ask to go back to page 48, line 23, and on behalf of the committee I move that "75 cents" be stricken out and "35 cents" inserted.

The PRESIDING OFFICER. The question is on the amendment of the committee striking out "75" and in lieu thereof inserting "35."

Mr. WALSH of Montana. I move to make that rate "15 cents" instead of "35."

The PRESIDING OFFICER. The question is on the motion of the Senator from Montana [Mr. WALSH] to insert "15" instead of "35."

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question is on the committee amendment.

The amendment was agreed to.

Mr. SMOOT. I desire, so as to clear this whole matter up, again to return to paragraph 305, and on page 53, line 16, I move to strike out "$1.25" and to insert "65 cents."

The amendment was agreed to.

Mr. SMOOT. The next amendment is on page 49, line 14.

The PRESIDING OFFICER. The next amendment will be stated.

The next amendment was, on page 49, line 14, to strike out the numerals "17" and insert in lieu thereof the numerals "15."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. SIMMONS obtained the floor.

Mr. WALSH of Montana. I should like to make an inquiry of the Senator from Utah.

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Montana?

Mr. SIMMONS. Yes.

Mr. WALSH of Montana. What is the purpose of putting on this additional 15 per cent ad valorem duty? We have a duty now of 50 cents a pound and of 15 per cent ad valorem on this commodity. The current prices for molybdenum——

Mr. SMOOT. We allowed 15 per cent in this case, as in the others, as a protective duty and on account of the loss that may be incurred.

Mr. WALSH of Montana. That has been taken care of by making a differential between 35 and 50 cents.

Mr. SMOOT. But this is volatile, I will say to the Senator, and there is a heavy loss attached to it which the 15 per cent will not more than take care of. It is the same rate as was allowed on the ferromanganese.

Mr. WALSH of Montana. Yes; and there is a margin of 15 per cent which would take care of the loss of from 33 to 35 per cent.

Mr. SMOOT. I will ask the Senator from Montana to look at the present law. With the ore free 15 per cent ad valorem duty was imposed, just as the committee now recommends. The other House gave 17 per cent ad valorem duty on the American valuation. The Finance Committee allowed as protection 15 per cent, which is the same as the duty under the present law. We granted the same rate upon the other ferroalloys.

The PRESIDING OFFICER. The question is on the committee amendment.

The amendment was agreed to.

The next amendment was, on page 49, in line 16, to strike out "72" and insert "60," so as to read:

ferrotungsten, metallic tungsten, tungsten powder, tungstic acid, and all other compounds of tungsten, 60 cents per pound on the tungsten contained therein.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. WALSH of Montana. Mr. President, the next bracket refers to tungsten compounds and tungsten. I do not know whether these rates are justified or not, indeed, I must confess, although I know something about tungsten, I do not know how one would arrive at any kind of a just rate. The fact about the matter that tungsten, or at least ores bearing tungsten, are, I think, perhaps without exception what are known as "spotty" in character, and so it becomes next to impossible to determine what the cost of production here is and what the cost of production abroad is.

Mr. SMOOT. I can state to the Senator in a very few words just why the rate here is proposed.

Mr. WALSH of Montana. I will be very glad to have the Senator tell us how the committee arrived at the rate.

Mr. SMOOT. Mr. President, on tungsten ore and concentrates the House allowed a rate of 45 cents a pound on the metallic content. There is a recovery of 75 per cent, and the House allowed 72 cents a pound on the metallic tungsten. The loss, however, does not justify that, the differential allowed being altogether too much. Figuring upon a basis of 45 cents a pound for the metallic tungsten and a 75 per cent recovery, gives 53 cents as a strictly compensatory duty for the loss in the production from the ore to the metal.

Mr. WALSH of Montana. I inquire of the Senator where is the ore taken care of?

Mr. SMOOT. On line 25, page 48, at the bottom of the page—

tungsten ore or concentrates, 45 cents per pound on the metallic tungsten contained therein.

As I have said, with a duty of 45 cents a pound on the metallic tungsten and a 75 per cent recovery, 53 cents is indicated as the compensatory duty. If the Senator will figure that, he will see that it just makes 60 cents a pound on the metallic tungsten.

Mr. WALSH of Montana. I think, if we put the duty at 45 cents a pound on tungsten ore, that a duty on the compounds of 60 cents is not disproportionate.

Mr. SMOOT. It figures out exactly, I will say to the Senator, just as nearly as it can be, unless a fraction be added.

Mr. WALSH of Montana. I wanted to ask the Senator what he has to say about putting a duty of 45 cents a pound on tungsten contained in the ore. That makes, of course, a duty of $900 a ton.

Mr. SMOOT. I shall ask that this item go over until I find out definitely what the price of tungsten is to-day. The Senator will remember that the first time a duty was imposed upon tungsten directly was in the Payne-Aldrich law. That was done at the time the first discovery of tungsten was ever made in Colorado. At that time tungsten was worth about a dollar a pound, as I remember, and perhaps a little more than that. I recall a statement being made upon the floor of the Senate by the then Senator from Colorado that tungsten was being sold at that time for about $4,000 a ton. At that time there was a duty of 45 cents a pound on the metallic tungsten contained in the ore. The House evidently gave the same rate as provided in the Payne-Aldrich law, and there was no amendment made to it by the committee. Mr. President, I ask that the item go over for the present, and in the meantime I will see if there has been a change in the price of tungsten between the time the Reynolds report was made and the present date, and when that is ascertained we may refer again to this item for consideration.

Mr. KING. Let me say to my colleague that the imports have been rather small and the unit value shows that the price is not very large. For instance, in 1921 the importations were 1,441 tons and the unit value $192.

Mr. SMOOT. Of course, the Senator will notice that ferrotungsten rather than the tungsten ore has been imported because under the existing law there was not allowed the necessary differential in order to take care of the spread between the ore and the ferrotungsten.

Mr. WILLIS. Mr. President, I desire to ask the Senator from Utah a question.

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Ohio?

Mr. SMOOT. I yield.

Mr. WILLIS. Will the Senator state to the Senate whether the rate proposed by the committee represents an increase or a decrease? Perhaps the Senator has already explained that, but I could not hear him.

Mr. SMOOT. I beg the Senator's pardon, but I did not catch his question.

Mr. WILLIS. The Senator is speaking of the rate on tungsten, is he not?

Mr. SMOOT. Yes.

Mr. WILLIS. Will he state to the Senate whether the compound rate amounts to an increase or to a decrease? There seems to be a decrease in the case of one item and an increase in the other.

Mr. SMOOT. It amounts to an increase, I will say to the Senator.

Mr. WILLIS. I make the inquiry because I want to ask the Senator another question.

Mr. SMOOT. But compared to the rates in the House, of course, it is a decrease. I think perhaps that is what the Senator had in mind.

Mr. WILLIS. That is what I am asking.

Mr. SMOOT. Oh, well, then it is a decrease.

Mr. WILLIS. The House rate is "72 cents per pound on the tungsten contained therein and 17 per cent ad valorem." Now, it is proposed to make it 60 cents a pound—that is a decrease—and 25 per cent ad valorem—that is an increase.

Mr. SMOOT. The 17 per cent in the House was on the American valuation. The 25 per cent is on the foreign valuation.

Mr. WILLIS. So the Senator thinks, taking the two items together, that it makes a decrease?

Mr. SMOOT. It makes a decrease.

Mr. WILLIS. Now, let me ask the Senator another question. There has been some complaint amongst the people of our State, particularly the Cleveland Twist Drill Co., of Cleveland, Ohio, who make very high-grade tools, claiming that this rate is excessively high as compared with the rate on the finished product. Can the Senator state whether the compensatory duty has been carefully worked out there and whether it is sufficient?

Mr. SMOOT. I will say to the Senator that if the rates that are now named in the bill are finally agreed to there ought to be a change in the compensatory rate on the products made from it, particularly the steel products in the high-speed tool paragraph.

Mr. WILLIS. Can the Senator tell me what paragraph that is? I can look it up, but the Senator can tell me more quickly.

Mr. SMOOT. We shall have to make a paragraph for that if this is agreed to, and we will change it, because the way it is written we might just as well put it in a paragraph by itself, and then hereafter we will know just what the statistics are.

Mr. WILLIS. They make the statement—I can hardly believe that it is true, but they make the statement, and I think my colleague [Mr. POMERENE], perhaps, has similar correspondence—that there is a higher rate on this raw material than there is on certain grades of their finished product.

Mr. POMERENE. Mr. President, I was simply going to confirm what my colleague has said on that subject. The complaint is general out there among the steel people, particularly the tool-steel people.

Mr. SMOOT. That is where the burden falls.

Mr. WILLIS. They make very high-grade tools.

Mr. SMOOT. I think there is only one class that is dissatisfied, and that is the makers of the high-speed steel.

Mr. POMERENE. I should have to go over my correspondence again to say definitely about that.

Mr. SMOOT. I am quite sure the Senator will find that that is the case.

Mr. POMERENE. I know that the high-speed steel makers are complaining very bitterly about it, and I feel that their cause was just, no matter what viewpoint we may take of this tariff problem.

Mr. SMOOT. We shall have to decide first on the rates upon tungsten.

Mr. WILLIS. If these provisions are agreed to, then does the Senator intend to take up the item with reference to tools?

Mr. SMOOT. I think a new paragraph will have to be written for that.

Mr. WILLIS. Does the Senator intend to take that up this afternoon?

Mr. SMOOT. I think not. I think the only thing we can do now is to allow this matter to go over until we finally decide on the rates.

Mr. WILLIS. Very well. I will get the material I have, and have it prepared.

Mr. ODDIE. Mr. President, I should like to ask the senior Senator from Utah a question. Referring to the statement just made by the junior Senator from Utah [Mr. KING] as to the small tonnage imported recently, is not that due to a large extent to the accumulation in this country since the war?

Mr. SMOOT. This is the best answer to that: I think, as I said, that the ferrotungsten has been coming in rather than the tungsten ore. In 1919 there were 396,460 pounds of ferrotungsten imported, and in 1920 there were 1,997,719 pounds imported; so when I stated that it was not coming in in the shape of ore, but that it was coming in in the shape of ferrotungsten, of course the record shows that to be a fact.

Mr. ODDIE. I should like to state, Mr. President, that the impression has gone abroad quite generally that the native deposits are insufficient. I should like to correct that by stating that in a number of Western States there are very large deposits of tungsten ore, and new ones are being discovered constantly, and there are many to my knowledge that are undeveloped awaiting development.

Mr. KING. Mr. President, let me say to the Senator from Nevada, if I may, that the imports of the ore in 1912 were only 381 tons; in 1913, 766 tons; in 1914, 238 tons; in 1915, 1,317 tons; in 1916, 3,335 tons; in 1917, 4,357 tons; in 1918, 10,362 tons; in 1919, 5,400 tons; in 1920, 1,740 tons; and in 1921, 1,441 tons.

As stated by my colleague, the ferrotungsten that was imported in 1918 was negligible, only $8 worth; in 1919, 396,460 pounds; in 1920, 1,997,719 pounds; and for nine months of 1912, 507,206 pounds. So that there has been a perceptible diminution in the imports since 1918. They reached the maximum in that year, and there was a perceptible increase in the imports of the ore, because in 1912 they were only 381 tons; and in the case of the ferrotungsten there was an increase in 1920, and a decrease in 1921.

Mr. SMOOT. I think I can explain that to the Senator and the Senate. I think in 1921 the unit value began to drop, and they wanted to use the stock they had on hand rather than import any larger stocks, with the market going that way; and in 1921 the Senator knows that the mills in the United States were not in operation 25 per cent of the time.

Mr. KING. To what mills does the Senator refer?

Mr. SMOOT. The steel mills throughout the country.

Mr. KING. Oh, yes; of course, the consumption was less.

Mr. SMOOT. That is another thing.

Mr. McCUMBER. Mr. President, I understand that the Senator from Utah has requested that all of these clauses relating to tungsten should be passed over; and if that is the case, there is no use in discussing the subject at this time.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah? What amendments does the Senator refer to?

Mr. SMOOT. I refer to all of the amendments commencing in line 14 and going down to and including the words "ad valorem" in line 21, page 49, down to "ferrosilicon."

The PRESIDING OFFICER. Is there objection to the request that those amendments go over? The Chair hears none.

Mr. McCUMBER. Mr. President, that brings us down to ferrosilicon. I think I should make some brief statement with reference to the next clause, which relates to ferrosilicon, in order that we may understand clearly not only its uses but also the duties levied and the reason.

Ferrosilicon is an alloy composed of silicon and iron. If you take steel scrap and silicon in the form of high-purity quartz and melt them at an especially high temperature, the iron and the silicon of the quartz rock alloy themselves, and the product is called ferrosilicon.

Ferrosilicon is used as a purifier of steel. Many of the high grades of steel can not be made without it. At the time of the war ferrosilicon in a single year entered into and was necessary to the production of 30,000,000 tons of steel. In the early days, and to a large extent at the present time, ferrosilicon containing less than 15 per cent silicon is made in the blast furnaces. For the past 15 years especially it has been found that ferrosilicon containing a higher percentage of silicon could not be made in the blast furnaces, because the temperature necessary to force the silicon into an alloy with the iron could not be reached. For this reason it was necessary to employ the electric furnace in the production of high-grade ferrosilicon.

In the electric furnaces the temperature rises to over 6,000 degrees. High-grade ferrosilicon was developed first in this country. The industry was then taken over by France, Norway, and Germany; but its manufacture was undertaken here in 1908, and a tariff of 20 per cent ad valorem was accorded ferrosilicon under the Payne-Aldrich bill.

In the tariff bill of 1909, I think, blast-furnace ferrosilicon was treated separately and accorded a rate of $5 per ton on ferrosilicon containing not more than 15 per cent silicon and 20 per cent ad valorem on ferrosilicon containing more than 15 per cent of silicon. The Underwood law gave a rate of 15 per cent on all ferrosilicon. These rates in both laws proved ineffective until the war; and as the industry advanced in the higher qualities of ferrosilicon, where the difficulties were greater, the duties finally became wholly inadequate.

The Ways and Means Committee after exhaustive consideration gave to ferrosilicon containing 8 per cent or more of silicon and less than 30 per cent a duty of 2½ cents per pound on the silicon contained therein; containing 30 per cent or more of silicon and less than 60 per cent, 2¾ cents per pound on the silicon contained therein; containing 60 per cent or more of silicon and less than 80 per cent, 3½ cents per pound on the silicon contained therein; containing 80 per cent or more of silicon and less than 90 per cent, 4 cents per pound on the silicon contained therein; containing 90 per cent or more of silicon and silicon metal, 8 cents per pound on the silicon contaied therein. Then the Senate Finance Committee reduced the House rates on these grades of silicon most largely used and of most importance, which are the ferrosilicons running from 8 to 60 per cent, cutting the rate on ferrosilicon containing from 8 to 30 per cent one-half of 1 cent per pound on the silicon contained therein; from 30 to 60 per cent, three-fourths of 1 cent per pound on the silicon contained therein; and from 60 to 80 per cent, one-fifth of 1 cent per pound on the silicon contained therein.

Mr. WILLIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Ohio?

Mr. McCUMBER. I yield.

Mr. WILLIS. If the Senator prefers to yield later, I do not care to interrupt his statement, but I wanted to ask him a question right on that point. What does the committee propose to do with the silicon below 8 per cent? It starts in, as the amendment would now make it, "containing 8 per cent or more of silicon and less than 60 per cent." I should like to know what is the rate on that below 8 per cent.

Mr. McCUMBER. That would fall under the metals, under a basket clause, of course, if it came in; but I do not think it will come in of a less percentage.

Mr. UNDERWOOD. Mr. President, if the Senator will allow me, a great deal of ordinary, common pig iron has sand in it; and if you taxed it below 8 per cent, instead of falling in the pig-iron class, you might put it in the ferrosilicon class and raise the tax on pig iron to $44 a ton instead of $1.25. I suppose that is why the committee left it out.

Mr. WILLIS. Mr. President, the reason why I ask the question is that I suppose at least 60 or 65 per cent of all the blast-furnace ferrosilicon made in the United States is made in the State of Ohio.

Mr. UNDERWOOD. Of course as to whether the ferrosilicon really is to be useful depends on the amount of sand or silica in it. As I said, the modern method is to cast it in an iron cast, but the old method was to put it in big beds of sand, and in that way a certain amount of sand got into the pig; and if you tried to put a rate on all pig that had silica in it, you might be taxing pig iron at a very high rate.

Mr. WILLIS. The product of some of our Ohio blast furnaces, particularly the ones at Jackson and Wellston, is about 7 per cent, or perhaps below 7 per cent. There is a fair rate of protection given to the high grades, but apparently no protection to the low grades, and those people are left out. Would the Senator from North Dakota permit an amendment to this provision when an amendment would be in order?

Mr. McCUMBER. I do not understand that with less than 8 per cent of silicon it really has any value whatever.

Mr. WILLIS. I think the Senator is mistaken about that.

Mr. McCUMBER. I do not understand that it is usuable.

Mr. WILLIS. I know there are large blast furnaces in Ohio whose product is 7 per cent and below. I can furnish the Senator very conclusive information on that. They have been running there for years. Just now they are not running, as they have been closed down.

Mr. McCUMBER. Do they use that very low grade at all in the manufacture of steel?

Mr. WILLIS. I so understand it. I am very certain that is the case. If the Senator would permit an amendment to make it 6 or 7 per cent, it would take care of that situation.

Mr. UNDERWOOD. As the chairman said, all ferrosilicon was originally made in blast furnaces. Some of the old furnaces using that method still exist in Ohio, but they really are not now making the ferrosilicon of commerce. They may be making a silicon iron, but not ferrosilicon. It is ferrosilicon in one sense, because all pig iron that is mixed with silicon is ferrosilicon, but in the commercial sense they are not making ferrosilicon. They are making a silicon iron, which may have its advantages for casting. But if you try to put a tax on it as being in the class of ferrosilicon, you would make an enormous tax on that class of iron, and I think the committee would get themselves in serious trouble, even more serious trouble than they have already gotten themselves into.

Mr. WILLIS. It would make serious trouble in Ohio if this were not changed. They would shut down unless we got a change in the rate. Of course, it is not in order now to offer an amendment.

Mr. UNDERWOOD. The Senator recognizes that as time goes on the methods, not only of the production of silicon but of the pig iron, change. Your furnace of 40 years ago, which did not improve its methods of making pig, has gone out of existence, and probably will remain out of existence.

Mr. WILLIS. The Senator admits that, yet a fair proportion of the ferrosilicon in the United States is blast-furnace ferrosilicon and not electric-furnace ferrosilicon.

Mr. UNDERWOOD. I think I am correct in saying that is a ferrosilicon iron. The purpose of putting the silicon in the iron is to make it flow easier and keep the blowholes out, so that it does not crack so easily, either in iron or steel. I think what the Senator is talking about is a silicon iron and not ferrosliicon.

Mr. WILLIS. I ask permission just here to print in the RECORD a brief statement of facts on this matter from some of my constituents, which I think will throw light on the subject. I will not interrupt the Senator further at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE JACKSON IRON & STEEL CO.,
Jackson, Ohio, September 19, 1921.

Hon. FRANK B. WILLIS,
United States Senator, Washington, D. C.

DEAR SIR: The Fordney House tariff bill, now being considered by the Senate, carries a protection of 2½ cents per pound per unit of silicon in ferrosilicon carrying 8 per cent and higher. Grades of ferrosilicon from 7 per cent to 15 per cent have been made in this State for years, principally in Jackson County and at New Straitsville; in fact, the manufacture of this product has been the principal industry in Jackson County for years and has been a source of keeping alive the blast furnaces here, and the city of Jackson is dependent on its three blast furnaces, which furnish more than 60 per cent of the labor. During the World War steel became a great winning factor; ferrosilicon is so necessary in its manufacture that it became a sort of a key to steel production. The governments of the Allies, as well as this Government, did everything possible to encourage the building of plants to increase production. Electrolytic furnaces, in which grades above 16 per cent are made, were erected at many places in this country where hydroelectric power could be had. Also, Canada built several of these plants, ostensibly for the production of the higher grades—50 per cent and upward. With the ending of the war there came a great slump in the ferrosilicon consumption, and the electrolytic furnaces turned their attention to producing the lower grades, i. e., 7 per cent to 15 per cent, and as a consequence all of the blast furnaces producing this material in this State have been closed down, in most part for more than a year. Our investigation shows that the Canadian electrolytic producers, by reason of their cheaper hydroelectric power, are able to produce the material so much cheaper that they have practically driven the blast furnaces out of the business, and are doing the same thing to the electrolytic furnaces of the United States. The State of Ohio produces 65 per cent or more of the Bessemer ferrosilicon (ferrosilicon made in blast furnaces) of the total amount made in the United States.

Canada is a very small user of ferrosilicon; therefore has a very large surplus, which it can and is dumping in the United States. Its surplus capacity will absorb the major portion of the consuming power of the United States. Its extraordinary cheap hydroelectric power makes it possible to sell at a profit below the States' cost of production.

* * * * * * *

Yours very truly,

NOAH G. SPANGLER, *General Manager.*

UNITED STATES TARIFF COMMISSION,
Washington, May 17, 1922.

Hon. P. J. McCUMBER,
Chairman Committee on Finance,
United States Senate.

MY DEAR MR. McCUMBER: On May 11 you forwarded to us the two letters herewith inclosed, addressed to Hon. FRANK B. WILLIS, in which it was claimed that the dividing line in the ferrosilicon classification should be 7 per cent silicon content instead of 8 per cent and asked us to advise the Committee on Finance relative to this matter.

It gives me pleasure to transmit to you a memorandum by Doctor Berglund of the commission's staff in reply to this request.

Sincerely yours,

THOMAS O. MARVIN, *Chairman.*

GLOBE IRON CO.,
Jackson, Ohio, March 13, 1922.

Hon. FRANK B. WILLIS,
Washington, D. C.

DEAR SENATOR: I thank you for yours of the 10th, and have received copy of House bill with Senate changes on ferrosilicon, as noted in pencil. The committee has given more than ample protection to the higher grades (say 50 per cent ferrosilicon) and have left the American plants producing the lower grades, or grades below 20 per cent, at the mercy, absolutely, of the Canadian manufacturers.

Please note how it works:

A ton of iron, gross, is 2,240 pounds, and 50 per cent silicon content in the ton is 1,120 pounds, which, at 2 cents per pound equals $22.40 tariff, which is fair, or more than fair, perhaps. But 8 per cent silicon, or 179 pounds silicon to the ton at 2 cents per pound, equals $3.58 tariff, 10 per cent $4.48, and so on, which is entirely too low for protection.

Your bill simply means that the American producer of the higher grades, which is mainly 50 per cent, will have the market absolutely to themselves, for not a ton of this grade can be shipped into this country. This is all right, but what will be the position of the American producers of the lower grades when the Canadian manufacturers turn their attention from the 50 per cent to 7 per cent to 20 per cent with the low-tariff rates?

It means that the American blast furnaces will be entirely shut out of this business, for the foreign producers, after being shut out of this country by the high tariff on 50 per cent material, will naturally turn to the lower ferrosilicons with their low-tariff obstacles. Ohio, your State, produces all of the blast-furnace ferrosilicon in the United States, and the bill as it now stands shuts out the 70,000 tons Canadian capacity of 50 per cent in order to allow it to ship in 210,000 tons Canadian capacity of the lower grades, taking absolutely every ton of our trade, for we can not compete with the foreign manufacturers on this grade on account of the low electric power they get.

The Ohio plants, located at Jackson, Wellston, and New Straitsville, make a specialty of ferrosilicons, and 95 per cent of the output is of this material. My plant has been running on ferrosilicon for 30 years, and to be knocked out of a trade that we have spent almost a lifetime in building up and to be compelled to start in again on another grade and seek and build up a new line of customers is awfully discouraging.

Don't forget that the same plants in Canada that now are able to produce, say, 70,000 tons of 50 per cent ferro will be able to produce three times this tonnage, or 210,000 tons, of the lower grades, so the bill keeps out the smaller tonnage and lets in the larger tonnage, which, by the way, is more than America needs or can use. Also, the larger the American tonnage displaced the larger is the number of American laborers displaced.

Keep out all the foreign material, both 50 per cent and lower ferrosilicons, by a tariff equal to the difference in cost, which should be at least $5 and up, according to value; and I would suggest an ad valorem duty, for this method charges the tariff against the value of the material at time of sale.

The minimum silicon content in ferrosilicon is 7 per cent and not 8 per cent, as stated in the bill.

I am sorry to write at such great length, but I want to put up the matter fairly and squarely and in a way I hope that you can understand and appreciate.

Yours very truly,

JOHN E. JONES, *President.*

MAY 16, 1922.

Memorandum on ferrosilicon.

Referring to the communication of Mr. John E. Jones, president of the Globe Iron Co., Jackson, Ohio, addressed to Hon. (Senator) FRANK B. WILLIS, concerning the dividing line between ferrosilicon and pig iron in the Fordney bill and the comments on the differences in the rates imposed on pig iron and ferrosilicon, some explanation is necessary concerning (1) the definition of ferrosilicon, (2) the processes employed, and (3) the relative cost of production.

Definition of ferrosilicon: In the Tariff Commission's report on "The Ferroalloy Industries" ferrosilicon is defined as "an alloy of iron and silicon. The silicon content ranges from 7 or 8 per cent to over 90 per cent." (See p. 71.) In paragraph 302 of the Fordney bill the rates of duty on ferrosilicon begin to operate with the 8 per cent grade, leaving the 7 per cent and lower grade silicon irons subject to the rate prescribed in paragraph 301 on pig iron ($1.25 per ton). There is no reason, however, why the dividing line between pig iron and ferrosilicon should not be drawn at 7 per cent rather than at 8 per cent. It may be stated in this connection that it is difficult to draw any precise line between these two commodities. Foundry iron generally contains from 2 to 4 or 4½ per cent silicon; and silvery iron, which should not be confused with ferrosilicon, from 5 to 10 per cent silicon. The principal distinguishing characteristics of silvery iron differentiating it from low-grade silicon, are the lower average percentage of silicon, the higher phosphorous content (above 0.1 per cent), and, as its name implies, the possession of a silvery fracture.

Processes of manufacture: The tariff problem with reference to ferrosilicon relates mainly to the processes of manufacture. Ferrosilicon is made by either the blast-furnace or the electric-furnace method. The grades containing over 15 per cent silicon are manufactured by the latter method, and sometimes grades containing 15 per cent and less, particularly the grades from 12 to 15 per cent. The lower grades of ferrosilicon, especially those containing less than 12 per cent, can be more economically made in blast furnaces than in electric furnaces, and hence in these grades the blast-furnace method tends to prevail.

Relative cost of production: The electric-furnace method is absolutely necessary in the manufacture of the grades of this ferroalloy having a silicon content in excess of 15 per cent, because sufficient heat can not be generated by the blast-furnace method. Electric power, however, is costly, forming a large proportion of the total expense of manufacture and a proportion which tends to increase with the rise in grade. This power is also more expensive in the United States than in Canada and some European countries (Norway, Sweden, and France). Itemized cost statements furnished the Tariff Commission by manufacturers of ferrosilicon show that in the year ending September 30, 1919, over 26 per cent of the total expense of producing the 50 to 60 per cent grades, and over 37 per cent of the total of the 70 to 75 per cent grades, constituted power cost (see Tariff Commission's report on "The Ferroalloy Industries," p. 86). Since 1919 labor and raw material costs have declined while power costs have remained practically the same. Therefore, a similar cost statement compiled to-day would show larger percentages for electric power.

Investigations made by the Tariff Commission in 1920 show that the producers of ferrosilicon at Niagara Falls were paying $20 per horsepower year for their electric energy, and some producers in other parts of the country considerably more, while their principal competitor, at Welland, Ontario, was charged only $12.75 per horsepower year. Scrap, which constitutes an important item in the raw material cost of manufacturing ferrosilicon, was cheaper at that time in Canada than in the United States, although it must now be said that this situation has changed.

When it comes to low-grade or blast-furnace ferrosilicon, especially the grades containing less than 12 per cent silicon, the American producer is not at the same disadvantage compared with his foreign competitor as the domestic manufacturer of the electric furnace product. Raw material and fuel (coke) in 1919 constituted about 65 per cent of the total cost of manufacture, and these items were as cheap in the United States as in any other country of the world. Coke, which constituted over 36 per cent of the total expense, was appreciably cheaper. Even to-day, when the prices of coke here and abroad are more nearly equal than they were two or three years ago, it is less costly in the United States than in Great Britain. Thus in April, 1922, blast-furnace coke was selling in England at £1 2s. 6d. to £1 3s. 6d. per ton (approximately equivalent to $4.95 to $5.17 per long ton) (converted at the exchange rate of $4.40 to the pound sterling), while at the same time in this country similar coke was selling at $4.50 per long ton. The wages of furnace men are higher in this country than abroad, but in 1919, when they were much higher than they are to-day, labor cost constituted less than 11 per cent of the total expense of manufacturing ferrosilicon.

GENERAL CONCLUSIONS.

Within certain limits the precise point at which a dividing line between pig iron and ferrosilicon should be drawn is a matter which can be decided arbitrarily. Seven per cent silicon content might just as well be fixed upon as the lowest grade of silicon iron, which should be governed by the rates in the ferro-alloy paragraph (paragraph 302), as 8 per cent silicon content. The custom among manufacturers would, in all probability, favor the change.

The distinction between the electric-furnace and blast-furnace grades of this ferro-alloy should be observed. Blast furnaces can be operated in the United States as cheaply as in any other country in the world. Electric furnaces, however, can not be operated here as cheaply as in Canada and some European countries, mainly on account of the greater cost of hydroelectric power in this country. Hence the recognition of this difference in tariff rates is entirely consistent with any policy looking toward an equalization of the cost of the domestic and foreign product in American markets.

Mr. McCUMBER. The Senator from Ohio stated that he would move to make the rate 6 cents. The ferrosilicon, containing from 8 to 60 per cent of silicon, is taxed at only 2 cents.

Mr. WILLIS. The Senator misunderstood me. I was calling the attention of the Senator to the situation if the committee amendment on line 22 shall stand. It reads "containing 8 per cent or more of silicon and less than 60 per cent, 2 cents per pound." I am not talking about the rate. I am talking about the percentage of silicon. If we get that down so as to take in the ferrosilicon containing 7 per cent of silicon, which we produce in Ohio, it will take care of the situation; but under the rules under which we are proceeding I suppose such an amendment would not now be in order.

Mr. McCUMBER. During the war ferrosilicon was made in nine plants in the United States, all of them using hydroelectric power. I did not know that it was still made under any different method. I especially desire the attention of Senators to this statement. In the standard grades of ferrosilicon it takes one horsepower of electrical energy one year to make 1 ton of ferrosilicon. Horsepower in the United States costs from twenty to thirty dollars per horsepower year. I understand there is a difference of about $15 per ton between this country and Canada in the cost of hydroelectric power alone in the production of these most largely used grades of ferrosilicon. Horsepower on the American side costs between $20 and $30 per horsepower per year, whereas on the Canadian side, I am informed, it is about $7 per horsepower per year, that difference growing out of the law of supply and demand, the American side being very much short of the supply of horsepower, and the Canadian side being long on horsepower, with little demand. That must be considered, as I stated before, in connection with the difference in the matter of taxing, the Canadian not being charged a tax at all for the use on the American side.

Mr. WALSH of Montana. I have been attracted by the statement made by the Senator that power can be secured in Canada at $7 per horsepower. That seems to me impossible. The investigations conducted by various committees here, as my recollection serves me, have shown that hydroelectric power was produced more cheaply in Norway than anywhere else in the world, and it cost from $9 to $12 per horsepower to produce it there.

Mr. McCUMBER. I am informed by the tariff expert who has examined this matter that the cost in Canada is about $7, and that is shown to be about the price of hydroelectric power in Norway, namely, about $7.40 per horsepower year. I notice by the report of the Tariff Commission Survey, however, that the horsepower in Canada is $12.75. My informant may be in error, but he is the Tariff Commission's expert, and he says it is about $7.

Mr. WALSH of Montana. I did not think of it so much in connection with this as with a multitude of industries. If they can produce hydroelectric power and sell it in Canada for $7 per horsepower, they have the potential manufactures of the world over there in Canada.

Mr. McCUMBER. Even if we take the Tariff Commission Survey report, which gives it at $12.75, that would be nearly 40 per cent less than the regular rate charged by American alloy manufacturers for the Niagara Falls horsepower. So that would be enough to make up the difference. The freight rates from European points to the United States to the points of the largest use are less than the freight rates of American manufacturers to the points of use, especially the eastern seaboard because of the difference between ocean freight rates and rail rates in the United States. These differences amount to from two to eight dollars per ton. Labor and transportation costs of raw materials are much higher in the United States.

Therefore, in order that the American manufacturer of ferrosilicon using hydroelectric power may compete with Norway and Sweden, it is necessary that he should receive at least the rates accorded in the bill as reported by the Finance Committee, which amounts, in the various grades, to from $3.60 on the lowest to $22.40 per long ton on the 50 per cent grade, which is the standard. The change from ad valorem to specific duties is not only essential because of the undervaluation during the years past, but gives a rising standard of duty in proportion to the difficulties of our manufacture, and it is therefore necessary, and ferrosilicon is an ideal for the application of specific rates.

I desire to read only one paragraph from a letter received by me March 2 from the Tariff Commission relating to ferrosilicon. It says:

Cost of production: The cost of producing ferrosilicon of standard grade (50 per cent of silica) in foreign countries, namely, France, Sweden, and Norway, we find to be at this time, according to the best available information, $38 to $44 per ton. The cost of the production of ferrosilicon in the United States, according to our latest information, we estimate and believe to be from $78 to $82 per ton.

That, I think, presents the matter in a nutshell.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

Mr. WILLIS. Let the amendment be again reported, so that we may understand what we are voting on.

The VICE PRESIDENT. The Secretary will state the amendment.

The ASSISTANT SECRETARY. On page 49, line 23, it is proposed to strike out "30 per cent, 2½" and to insert "60 per cent, 2," so that if amended it would read:

ferrosilicon, containing 8 per cent or more of silicon and less than 60 per cent, 2 cents per pound on the silicon contained therein.

Mr. KING. Do I understand the Senator to contend that this product, which exists in the United States in such prodigious and inexhaustible quantities, is to bear a rate of duty of 2 cents per pound?

Mr. McCUMBER. I suppose the Senator, of course, means upon the silicon content?

Mr. KING. Yes; upon the silicon content. I confess my inability to comprehend the reason for such an enormous rate.

Mr. McCUMBER. I just gave it in the very last paragraph which I read, in which the foreign cost is stated to be $38 per ton; cost in the United States, as given here, $78 per ton; highest foreign, $44 per ton; highest in the United States, $82 per ton. I see from that that we have scarcely equaled the difference.

Mr. KING. Before the war the price, as I recall it, was about $50 to $55 per ton. The processes employed in manufacturing ferrosilicon are not difficult. There are no metallurgical or other obstacles or serious complications. It is simply the fusing of silica which exists here and everywhere. We have not only millions but billions of tons of silica and quartz in every State in the Union. The fusing of the metal, with the addition of such ingredients as may be necessary, is a very simple process. To impose this high tariff, of course, is a tax upon the production of steel, and a tax upon the production of all steel is a tax upon the production of all of the articles of the household, the farm and the country, of which iron and steel form a constituent part.

I am not quite able to comprehend who are the beneficiaries of this particular paragraph. I can not say that it is the Steel Trust, because this means an augmentation of the price of the product employed in the production of steel. It must be the few plants or the many plants engaged in the production of silica.

It seems to me that the bill is fashioned upon the theory that everything must bear a tax. We put a tax upon steel products. We put a tax upon everything that enters into the production of iron and steel. Then, of course, we must pass on to what might be denominated the intermediates or the finished products, all of the antecedent factors, and they are pyramided until finally the housewife who buys the knife or the fork or some product composed in part of iron or of steel, or the farmer or the mechanic or the American people, must bear all of the prior accumulations.

The Senator said that because horsepower in Canada is cheaper than horsepower in the United States, therefore we must add an additional duty or tax so as to protect those in the United States who can not get horsepower quite as cheaply. I suppose under that view if horsepower was the principal factor in the production of this or other products, and it could be had for nothing in Canada or in Mexico, it would be the theory of the proponents of the bill to throw away that rich gift of nature and impose an exorbitant tax and pass it on to the American people to enable somebody to engage in the business here under disadvantageous circumstances. But I am not able to perceive, in view of the inexhaustible supply of the silicia and the quartz, the inexhaustible supply of water power, and, of course, of coal, how the cost of silica should mount up to $75 or $85 per ton. As I stated, the pre-war price was between $50 and $56 per ton.

I am unwilling to increase the price of silica to the Steel Trust or to the independents or to any person who may use silica, because in so doing I would know that the person who was compelled to pay that tax would add to the product which he manufactured the entire tax plus other costs for handling the matter, overhead expense, profit, and what not, and the person who purchased his product would add to his intermediate or finished product all of the antecedent costs, and they in turn would be passed on to the ultimate consumer.

I think this illustrates the vice of the bill, the inherent iniquities of it, and, of course, with these accumulated costs and taxes the ultimate consumer must be burdened not with hundreds of millions in the aggregate but billions of dollars. So that the American people must make up their minds when the tax bill is passed that they will have to pay the tax and all of its accumulations which will rest upon their bowed backs.

Mr. McCUMBER. Mr. President, I wish to put in the RECORD the horsepower rates of the different countries that are given me by an expert from the Tariff Commission. The United States averages $20 to $30 per horsepower year; Norway, $5.40 to $9; Sweden, $6 to $10; Germany, $8 to $10; France, $8 to $12.

I am also informed that the imposition of the duty as fixed by the Senate Finance Committee would mean an added cost of about 10 cents per ton in the manufacture of silicon.

Mr. WALSH of Montana. Can the Senator inform us from what source the Tariff Commission gets this information?

Mr. McCUMBER. Page 89 of the Tariff Information Survey C–1.

Mr. WALSH of Montana. My attention was diverted when the Senator was giving some figures. I did not understand whether it was the cost of production of ferrosilicon in this country and abroad or the price at which it is sold.

Mr. McCUMBER. The cost which I gave in this country and in foreign countries was from a letter which I received from the Tariff Commission. A like letter was sent to the Senator from West Virginia [Mr. SUTHERLAND]. It is dated March 2, 1922. It is in reply to a request for information regarding ferrosilicon, its costs abroad and in the United States. The costs which I gave here in the two countries were the costs which were given in that letter from the Tariff Commission.

Mr. WALSH of Montana. Would the Senator give us the figures again?

Mr. McCUMBER. They said:

The cost of producing ferrosilicon of standard grade, 50 per cent of silica, in foreign countries, namely, France, Sweeden, and Norway, we find to be at this time according to the best available information, $38 to $40 per ton. The cost of production of ferrosilicon in the United States, according to our latest information, we estimate and believe to be from $78 to $82 per ton.

Mr. WALSH of Montana. "We estimate and believe to be," they say.

Mr. McCUMBER. That is the Tariff Commission. Of course, they get that upon a very thorough investigation.

Mr. WALSH of Montana. I undertake to say there is something wrong with the figures. I have before me the result of a careful investigation made by the Tariff Commission, which I shall be glad to give to the Senate, disclosing that that quality of ferrosilicon was produced in this country in 1919 by blast-furnace process at a cost of $42.07 a ton, and by the electric-furnace process at a cost of $53.49.

Mr. McCUMBER. On page 86 of the Tariff Information Survey C–1 is a table giving the cost in 1919, and the cost in that year in the United States was $94.54.

Mr. WALSH of Montana. That is 50 to 60 per cent and 70 to 75 per cent.

Mr. McCUMBER. That is 50 to 60 per cent silicon content, of course.

Mr. KING. Mr. President, will the Senator from Montana yield?

Mr. WALSH of Montana. I yield.

Mr. KING. I have before me the American metal market and daily iron and steel report—May 11, 1922—which shows electrolytic ferrosilicon, delivered at Pittsburgh Valley and Cleveland, Ohio, 50 per cent, $55 to $60. That is just last month, and it ought to be cheaper now than it was then, unless the trusts are forcing the prices up all the time. Of course, there is a profit in that figure, too. That is the price at which it was sold.

Mr. McCUMBER. On the contrary, my information is that they were selling far below cost.

Mr. KING. Oh!

Mr. McCUMBER. Oh, that does happen sometimes.

Mr. KING. I have not discovered any trust selling very much below cost. Their dividends indicate quite the reverse.

Mr. WALSH of Montana. Mr. President, I want to offer a few figures for the information of the Senate. I am going to assume now that the Senator is giving us the correct figures of the cost of the production of ferrosilicon in this country at $95 a ton. Now, let us see where we come out.

The only difference is in the cost of power. We compete with Canada and the only advantage she has over us is in power. The power entering into the production of this commodity amounts to 26 per cent of the total cost. Practically one-fourth of the total cost is power. Of the $95 a ton, therefore, one-fourth would be $24. Twenty-four dollars is the power cost to produce a ton of ferrosilicon, the total cost of which is $95.

Let us assume that we can get power in Canada for $12.50 per horsepower as against $25 in this country; that is to say, the power costs twice as much. Instead of the $24, therefore, that

could be had for $12 in Canada. Let us assume also that the wages in Canada are the same as the wages in this country; but, no, let us assume that the wages are 25 per cent higher in Canada than they are in this country. The total labor amounts to 17.5 per cent of the $95, and the difference will be about $4.50 in labor, or $16.50 total difference in the cost of the power and labor in this country over Canada. I am assuming a difference of 25 per cent against us in the matter of labor.

In order to take care of a difference in the cost of production of $166.50 it is proposed to put a tariff of 2 cents a pound, or $40 a ton, on this commodity; but there is nothing extraordinary about this. That is about the way these things run. The rates are professed to be put on because of the difference in the cost of labor, and invariably the rate put on is more than the total amount of the labor.

Mr. McCUMBER. Will not the Senator revise that estimate a little? Forty dollars per ton would be 100 per cent of ferrosilicon, and it is on 50 per cent of ferrosilicon we are levying the rate. Therefore it would be just one-half of that.

Mr. WALSH of Montana. The rate is 2 cents per pound.

Mr. McCUMBER. No; it is not. It is on the content.

Mr. WALSH of Montana. Exactly; 2 cents a pound on——

Mr. McCUMBER. On the silicon content, and the silicon content in a ton of 50 per cent silicon would be only half of $40.

Mr. WILLIAMS. Mr. President——

Mr. WALSH of Montana. I yield to the Senator from Mississippi.

Mr. WILLIAMS. Where does the Senator derive his idea that there is a difference of 25 per cent in the cost of labor in Canada and the United States?

Mr. WALSH of Montana. I do not. The Tariff Commission report that there is no difference.

Mr. WILLIAMS. But the Senator just admitted for the sake of argument that there was a difference of 25 per cent.

Mr. WALSH of Montana. Even if the Senator from North Dakota were right, he has a rate of $20 on 50 per cent silicon to take care of a difference in the cost of power that does not exceed $12.

Mr. WILLIAMS. Mr. President, the people of the United States and the people of Canada are in a state of flux all the time. Americans are constantly crossing the border seeking employment, and Canadians likewise are constantly crossing the border seeking employment. Is there, as a matter of fact, any difference at all in the price of labor in Canada and in the United States?

Mr. WALSH of Montana. There is practically none.

Mr. WILLIAMS. And yet the Senator in making his argument admitted for the sake of the argument that there was a difference of 25 per cent?

Mr. WALSH of Montana. Yes; because it is assumed.

Mr. WILLIAMS. Who assumes it?

Mr. WALSH of Montana. It is generally assumed that labor costs are less anywhere in the world than they are in the United States.

Mr. WILLIAMS. But who assumes it?

Mr. WALSH of Montana. It is assumed generally by those who advocate this bill.

Mr. WILLIAMS. Does the Senator know any particular person who assumes it?

Mr. WALSH of Montana. No; I would not attribute the assumption to any particular person.

Mr. WILLIAMS. Did the Senator from North Dakota assume it?

Mr. WALSH of Montana. He confined his argument, I think, chiefly to power.

Mr. WILLIAMS. As a matter of fact, there is absolutely no difference between the cost of common labor in Canada and in the United States, just across the border, is there?

Mr. WALSH of Montana. I think not; or skilled labor either, for that matter.

Mr. WILLIAMS. So that the whole Republican idea of erecting a tariff barrier between the United States and Canada as against an inferior cost of labor is a piece of humbuggery?

Mr. WALSH of Montana. I will give the Senate the benefit of the conclusions of the Tariff Commission with reference to this particular product. It is stated:

> Summing up the competitive situation the following conclusions may be drawn:
>
> 1. The cost of producing Bessemer or blast-furnace ferrosilicon is as low in the United States as anywhere else in the world.

"Anywhere else in the world."

Mr. WILLIAMS. Can not the Senator from Montana go beyond that and say that at Birmingham, Ala., the cost is lower than anywhere else in the world?

Mr. WALSH of Montana. I am not sure that they produce ferrosilicon at Birmingham.

Mr. WILLIAMS. No; but the Senator was talking about the Bessemer process.

Mr. WALSH of Montana. I referred to Bessemer blast-furnace ferrosilicon.

The survey continues:

> The raw material and fuel, which constitute about 65 per cent of the total cost, are as abundant and as low in price here as elsewhere. Labor cost is only 10 per cent of the total—

Ten per cent of the total is the amount of the labor cost—

> and, as in the case of ferromanganese, the higher wages in this country are offset by the larger output per man employed.

So that, so far as labor costs is concerned, there is not any difference.

Mr. WILLIAMS. If the Senator will pardon me for just a moment more, I remember that about 16 years ago I offered an amendment when a Republican tariff bill was being considered in the House of Representatives which provided that where the difference in labor was any given amount the tariff duty levied upon the foreign product should never be beyond 100 per cent of the labor cost—not 100 per cent as representing the inferiority of foreign labor, but that the duty never should be above 100 per cent of the total labor cost. I remember that Grover Cleveland, who was at that time an ex-President of the United States, and however poor a Democrat in some respects, he was a mighty good one on the tariff, came out in a public article indorsing that idea. Is there anything in this bill now which indorses the idea that there shall not be any import duties above the total cost of labor in the production of a given article?

Mr. WALSH of Montana. No; I think there is not; but, in view of many of the disclosures which have been made in the discussion of the bill thus far, an amendment of the character suggested by the Senator from Mississippi would be exceedingly pertinent, and I can not conceive why anyone should oppose it.

Mr. WILLIAMS. Does the Senator from Montana imagine that any Republican, even the Senator from North Dakota, at the head of the Finance Committee, would accept it?

Mr. WALSH of Montana. I am not able to say as to that.

Mr. WILLIAMS. I shall offer an amendment later on to the effect that wherever the total labor cost of a product shall amount to a given sum the total import duty shall not be above 100 per cent of that sum.

Mr. WALSH of Montana. I take this occasion to say to the Senator—perhaps he was not present—that the Senator from North Carolina [Mr. SIMMONS] a few days ago submitted a very elaborate table showing the labor cost entering into various commodities as compared with the rate which they bear in this bill, from which it appeared that often the rate fixed amounted to more than the total labor cost.

Mr. WILLIAMS. Of course, that might be a matter of dispute between the Senator from North Carolina [Mr. SIMMONS] and some Republicans; but if any Senator on this side of the Chamber were to offer an amendment to the effect that the import duty should never exceed the entire labor cost in America of a given product, does the Senator from Montana imagine it would be accepted?

Mr. WALSH of Montana. I imagine not. It would be said that there was a difference in the cost of power.

Mr. WILLIAMS. Of wind, water, and other things.

Mr. SIMMONS. The Republicans would not accept such an amendment because, if they did accept it, it would practically wipe out of the bill about one-third of the proposed duties.

Mr. WILLIAMS. I do not know the exact proportion. I am glad to hear it would be about one-third.

Mr. SIMMONS. I merely ventured that as an estimate.

Mr. WILLIAMS. If the Republican Party are sincere—the Senator from Utah [Mr. SMOOT], for example, and the Senator from North Dakota [Mr. MCCUMBER], for example—and really want the cost of labor of Europe and here to be equalized, they ought to be satisfied with an import duty equal to the entire cost of the labor entering into a product, whatever it may be.

Mr. SIMMONS. They would be if they were writing a bill for protection purposes, but where they are writing a bill for the purpose of maintaining certain prices and to permit additional profits, of course, they would not be satisfied.

Mr. WILLIAMS. I do not join in that sort of tirade. I do not believe for one moment that distinguished Republican statesmen are attempting to do what the Senator from North Carolina insinuates. I believe that they are only trying to equalize the cost of European, Asiatic, and African labor with the cost of American labor. Of course, if that be their true intent and purpose, then a duty equal to the entire cost of labor entering into an American product—the American cost and not the European cost, because the American cost would be still greater, according to them—they ought to be satisfied. But I scorn to

believe that, as the Senator from North Carolina has intimated, Senators on the other side are engaged in any effort to keep up present prices or to increase them. The Senator from North Carolina knows as well as I do that they have disclaimed that intent time and time again, and he knows that, as Mark Antony said of Brutus and Cassius, "they are all honorable men."

Mr. WALSH of Montana. Mr. President, I am obliged to the Senator from Mississippi for the contribution he has made to this discussion. Of course, his vast experience in connection with tariff legislation entitles him to very considerate attention whenever he chooses to discuss what is before the Senate. We all regret that he does not participate more frequently than he does.

I have shown, Mr. President, by the Tariff Commission's report that so far as blast-furnace ferrosilicon is concerned, it can be manufactured in this country as cheap as anywhere in the world and there is no occasion whatever for the imposition of a duty.

Blast-furnace ferrosilicon ordinarily contains, as I understand, from 8 to 15 per cent silicon. The first bracket in this paragraph of the bill embraces all ferrosilicon containing more than 8 per cent silicon; so it would include all blast-furnace ferrosilicon.

Mr. WILLIS. All except that below 8 per cent.

Mr. WALSH of Montana. That is regarded as not ferrosilicon at all, I understand.

Mr. WILLIS. There is a difference of opinion about that. I have here the report of the Tariff Commission in which they say that 7 per cent is included.

Mr. WALSH of Montana. Very well. All blast-furnace ferrosilicon, then, is included within this bracket bearing a duty of 2 cents a pound or $40 a ton—$40 a ton, bear in mind, on a product which the Tariff Commission tells us we can produce in this country as cheaply as anywhere in the world, the item of power not entering into the proposition at all, and the labor cost being only 10 per cent of the total cost of the product.

Now we come to the ferrosilicon produced by the electric-furnace process, utilizing power. In that case there is a differential against us because power is cheaper in Canada than it is in this country, although there is by no means the disparity that would be indicated by the remarks of the Senator from North Dakota, as I shall show presently, but there is some difference. The Tariff Commission says:

2. The cost of producing electric-furnace ferrosilicon, especially the standard and higher grades, is greater in the United States than in some countries. This difference is mainly owing to the fact that in such countries as Canada, Norway, and France, water power, which is a very important item in the total cost, is cheaper than in the United States. In Canada, where we get the bulk of our imported ferrosilicon, power costs range from 10 to 50 per cent less than at Niagara Falls, N. Y., where power on any large scale is sold more cheaply than in any other part of the United States. As the grade of product rises power cost becomes more important, and hence the advantage of the country having low-price power becomes more pronounced.

Mr. President, I repeat that if we were able to get power in this country at just twice the cost of power in Canada, paying for it $25 a horsepower as against $12.50 in Canada, the increase in the amount that it would cost to produce ferrosilicon in this country by reason of that increase in the cost of power would be just $12; and in order to cover that $12 a rate of 3 cents a pound is put on when it contains 60 per cent or more of silicon, which would be $42. A duty of $42 is put on—$42, bear in mind, or better—to cover an excess of power cost of only $12.

Bear in mind, now, I am figuring upon the basis that power in this country costs twice what it costs in Canada while the Tariff Commission tells us that the difference is from 10 to 50 per cent. The particular figures I shall give presently.

Leaving power out of consideration, the commission says:

3. Other cost factors like raw material and labor give the foreign producer, under normal conditions, but slight, if any, advantages. There is little difference between the wages of American and Canadian workmen, and while labor cost may be lower in Europe than in the United States, it is not such a big factor in the total cost as power and raw material. Coke or coal and silica rock are about as cheap here as in other countries.

So that all we have to take care of in this matter is the matter of power. How much power do you have to use in order to make a tariff of $60 a ton justifiable on the silicon content?

Of course that is $60 a ton. If it contains only 60 per cent, the price would be $42—bear in mind, $42 a ton duty upon this to take care of the difference in power, when the total cost of the power in this country is only $25; not the difference, but the total cost.

Now, let us see about the difference in the cost of power:

At Niagara Falls, N. Y., where the leading producers of ferrosilicon in the United States have their plants, the present (1920) cost of power for electrometallurgical work is $20 per horsepower year.

Twenty dollars per horsepower. I figured on $25. If it is $20, that reduces the difference in the power cost so much.

For this price the consumer must use 500 kilowatts as a minimum and for a term of not less than five years. This cost is divided into "firm energy to be supplied or kept available for supply" at a price of $23 per kilowatt per annum and "compensation for loss of electric energy between the point where the same is measured, and for the agreed value of the service for the transmission of such 'electric energy' supplied or kept available for supply as firm energy between the generating station of the company and the premises of the customer" at a price of $3.80 per kilowatt per annum. The total charge is thus $26.80 per kilowatt per annum, or approximately $20 per horsepower year.

On the Canadian side of the Falls electric power is cheaper, ranging from $10 to $18 per horsepower in Ontario. If we can get it on this side at $20, and on the other side at $10, there is a difference in power of $10, for which the American people are required to submit to a tariff of $42 per ton—$42 per ton to take care of a difference in power of $10. But, Mr. President, the cost is not uniform, but it runs from $10 to $18 per horsepower, or a difference of $42 to take care of a difference in the cost of power of just $2.

I wonder how long the American people are going to stand this kind of thing. I wonder how they are going to regard a bill that is framed as this one is, and in the face of facts of this character.

Mr. NORRIS. Mr. President, may I interrupt the Senator?

Mr. WALSH of Montana. I yield to the Senator.

Mr. NORRIS. The Canadian power costs that the Senator has been giving are in Ontario, as I understand.

Mr. WALSH of Montana. Yes, sir.

Mr. NORRIS. Has the Senator there, or is there given there, the reason for the difference in power costs between the American side and the Canadian side of the Niagara River?

Mr. WALSH of Montana. No; that subject I do not find discussed here; but the Senator from North Dakota tells us that it is due to the fact that they have a superabundance of power on the Canadian side and a limited demand, while on this side they have a lack of power and an excess of demand.

Mr. NORRIS. The Senator is aware, I presume, that the power on the Canadian side is Government owned and on the American side privately owned?

Mr. WALSH of Montana. Yes, sir.

Mr. NORRIS. I think I called attention once before while this bill was here to a report that is being used to prevent the Government of the United States from developing as a Government any of its water powers, wherein a famous engineer makes a comparison between the Ontario price to the consumer and the American price to the consumer, and reaches the conclusion that the American consumer is getting his power cheaper than the Canadian Government-owned organization gives it to the consumer over there. That, however, was not for the purpose of levying a tariff or something. The object there was to discourage Government operation and Government development of water power in the United States. It seems now, in this instance, where it is desired to levy a tariff on a product, and it is desirable to show that the Canadian cost of the product made from this power is cheaper than the American cost, that it is demonstrated that the Government-owned power development of Canada is cheaper than the privately owned power development in the United States.

Mr. WALSH of Montana. It seems that the figures are flexible, depending upon the conclusion at which you desire to arrive.

Mr. NORRIS. Yes.

Mr. WALSH of Montana. But, Mr. President, the end is not here at all. Thus far we have been considering the matter of power being procured over in the United States on a basis of $20 per horsepower, but let me submit the following from this same report:

While the power rates on the American side of the Falls is $20 per horsepower-year, some producers of ferrosilicon, by virtue of old contracts, pay less. Some of these rates are as low as $15 and $16 per horsepower-year, and in one instance the rate is even lower. As old contracts expire the rate is raised to $20.

During the war some of the American producers of ferrosilicon at Niagara Falls were obliged to add to their allotment of power in order to supply the increased demand for this ferro-alloy. As the available water power was already in use, resort was had to steam-generated power, which cost as high as $80 and $90 per horsepower-year. This high cost was, of course, a temporary condition brought on by a great world crisis and was not excessive compared with what is paid in other parts of the country for steam-generated electrical energy. Since the war the use of steam-generated electric power has been discontinued by manufacturers of ferrosilicon.

The great bulk of the ferrosilicon manufactured in Canada is produced by one company, whose plant is located at Welland, Ontario. In 1907 this company entered into a contract whereby it was to be supplied with hydroelectric power for 30 years at a cost of $12.75 per horsepower-year, or nearly 40 per cent less than the regular rate charged American ferro-alloy manufacturers by the Niagara Falls Power Co.

So I feel that we are justified in saying that at the very highest the difference in the cost of power in this country and in Canada is the difference between $12.75 and $20, or $7.25—

$7.25, and a tariff of $42 a ton is put on to cover that difference. But, as I said, the same showing is repeatedly made with respect to many items in this bill in which the tariff is put on ostensibly to cover the difference in the cost of labor in this country and abroad; but it is disclosed often that the total labor cost is nowhere near the amount provided for the tariff rate.

Mr. President, this is a wholly indefensible provision, and I move to amend it by making the rate 1 cent per pound instead of 2 cents. One cent would be $10 per ton in the case of 50 per cent silicon. Of course, we will reach presently the case of the 60 per cent and more, 3 cents.

Mr. SMOOT. Mr. President, I am not going to repeat what the Senator from North Dakota has said upon this subject matter, but I want to say to the Senate that the Senator from Montana has been discussing one article and applying it to an article that has no more reference to what he was discussing than if it were made in a foreign country and never entered America.

The Senator has been reading from the tariff report the figures on blast-furnace ferrosilicon. It is sometimes called Bessemer ferrosilicon. The usual grade of that kind of ferrosilicon carries 10, 11, and 12 per cent—never above 12 per cent—of silicon. The average is 11 per cent; and when it goes above 15 per cent, as provided for in what the Senator has been talking about, it is never made in a blast furnace. It can not be made in a blast furnace. It is made in an electric furnace under the electric-furnace process.

I have a few figures to show just how far afield the statement was that was made by the Senator. Taking 11 per cent as the average, the silicon content of a long ton of 2,240 pounds—and all of the importations are given in long tons—would equal 247 pounds.

The duty is 2 cents a pound, or $4.94 cents a ton, and not $44, or $40, or any other amount. It is $4.94 a ton. The price of the ferrosilicon of 11 per cent is $44.80 a ton to-day, and $4.94 per ton would equal an 11 per cent ad valorem duty. That is what the committee has reported.

At present our only imports run 50 per cent and above, nothing under, and there is not a pound of ferrosilicon imported into the United States that is made in a blast furnace; not one single pound. Yet we have been told that the duty upon it is $44, and that it costs only some $7.75 more to produce it in the United States because of the difference between the cost in the United States for water power and that in Canada. The whole duty on the item is $4.94 a ton, and of course the water power does not cut any figure in this case at all. But if the product contains 50 per cent silicon or over, then it does cut a figure, and that is just what I have already stated. That is a product not made in a blast furnace but made by electrical furnace process.

The Senator from North Dakota, I think, gave the figures, and a concise statement, as to just what was intended by the amendments proposed by the Senate Committee on Finance, and I have made this statement simply because of the fact that the Senator from Montana read from the report of the Tariff Commission as to one item and applied the statement to another.

Mr. WALSH of Montana. Mr. President, there is no justification for that statement at all. I read what the Tariff Commission said about the blast-furnace ferrosilicon, and they said there was no difference at all. The blast-furnace ferrosilicon contains anywhere from 8 to 15 per cent.

Mr. SMOOT. That is what I said.

Mr. WALSH of Montana. This amendment includes from 8 to 60 per cent, so it includes all the blast-furnace ferrosilicon there is.

Mr. SMOOT. As I stated, there is not a pound of blast-furnace silicon imported into the United States.

Mr. WALSH of Montana. I do not care what the Senator said; I am talking about what the Tariff Commission said. Let us take the figures about which the Senator is talking. The item under consideration embraces everything containing from 8 per cent silicon to 60 per cent silicon. That bears a rate of 2 cents a pound. The average of all that is 34 per cent. There would be 680 pounds of the silicon in the average of this, running from 60 per cent up. Of course, if it was 50 per cent, there would be a thousand pounds, and 2 cents a pound on that would be $20, as a matter of course. That is what you have on your first item, $20. Nobody can controvert those facts, if it is 50 per cent. If it is 60 per cent, your duty is $24, to take care of the difference in the power cost, which I have shown can not exceed $7.25.

Mr. SMOOT. The Senator probably did not hear the letter read by the Senator from North Dakota from the Tariff Commission, dated, I think, March 2.

Mr. WALSH of Montana. I read it; but the Tariff Commission tell us that there are contracts outstanding by which the ferrosilicon manufacturers get their power for from $15 to $16 a horsepower, and likewise they tell us that the power cost for work of this character is $20 per horsepower.

Mr. SMOOT. If Canada could make it so much cheaper than any other foreign country, or anyone with whom we were in competition, it certainly would furnish the product to England, instead of Norway furnishing it to England. Norway produces it more cheaply than any other country in the world. Norway has a power price of $6 to $7 a horsepower per year. That is where ferrosilicon is produced cheaper than anywhere else in the world, and it furnishes, I think, all the ferrosilicon sent to England.

Mr. WALSH of Montana. The Tariff Commission does not seem to think that the competition from Norway is deserving of any consideration at all, because it simply discusses the competition of Canada.

But while we are on this item we might just as well consider the other items. If the product contains from 50 to 80 per cent silicon, it gets 3 cents. The average is 70 per cent. That is 1,400 pounds in every ton, and 3 cents a pound would make it $42. Forty-two dollars, as I said, is the tariff on the high-grade ferrosilicon.

Mr. WILLIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Ohio?

Mr. WALSH of Montana. I yield.

Mr. WILLIS. Will the Senator permit me to call attention to an inevitable result of this paragraph, if adopted as it stands? I called his attention a moment ago to the fact that 7 per cent ferrosilicon is ferrosilicon proper, and not pig iron. If this shall be adopted as it stands, the inevitable result will be that instead of producing the higher grades of ferrosilicon, as they now produce them in Canada, they will use this cheaper power to which the Senator has referred in producing the lower grades. The Senator from Utah pointed out the fact that up to date blast-furnace ferrosilicon has not been imported. That is true, but unless we shall include the 7 per cent ferrosilicon it will inevitably be true that the Canadian manufacturers will produce a lower grade, and therefore we will have importations. That is why we ought to have 7 per cent there instead of 8 per cent.

Mr. WALSH of Montana. The ferrosilicon which contains from 80 per cent to 90 per cent gets 4 cents a pound. The average would be 1,700 pounds, 85 per cent, figuring on 2,000 pounds to a ton and 4 cents a pound.

Mr. SMOOT. I do not see why the House put that in. There is no such thing as that used in commerce. Eighty per cent is the highest. That is the standard, and I can not understand why they made provision in the bill for the product containing between 80 and 90 per cent silicon. It is not used anywhere.

Mr. WALSH of Montana. I certainly can not enlighten the Senator.

Mr. SMOOT. I think the extra cost attached to the manufacture, if such a thing were on the market, would be more than the advantage they would receive in the freight rates, even where it comes from Europe or anywhere else.

Mr. WALSH of Montana. There would, then, according to the Senator, be two classifications, one of more than 8 and less than 60, and another more than 60 and less than 80, or, generally, more than 60. From 8 to 60, and from 60 above, would be the two classifications suggested by the Senator, the first to bear 2 cents and the second to bear 3 cents.

Mr. SMOOT. Yes.

Mr. WALSH of Montana. If you figure it from 60 to 80, as I have said, that makes an average of 70, and 3 cents a pound would make the tariff $51.

Mr. SMOOT. The only importations are of the 50 per cent grade; then there is a 75 per cent grade. Wherever it is 90 per cent it is silicon metal, and they might just as well make the product into silicon metal as to try to make one containing 90 per cent of silicon. As I said before, I do not see why they put the bracket in the bill, because it is not commercially used. It is not known; it is not advertised. Nobody tries to make it.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Montana to the committee amendment.

Mr. SIMMONS. I ask that the amendment to the amendment be stated.

The VICE PRESIDENT. The Secretary will state the amendment.

The ASSISTANT SECRETARY. It is proposed to strike out "2 cents" and to insert "1 cent," so that, if amended, it would read:

Ferrosilicon containing 8 per cent or more of silicon and less than 60 per cent, 1 cent per pound on the silicon contained therein.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment was, on page 49, line 24, to strike out the words, "containing 30 per cent or more of silicon and less than 60 per cent, 2¾ cents per pound on the silicon contained therein."

Mr. WILLIS. Before we leave the other provision I desire to say a word.

Mr. SMOOT. I would not care whether that were made 8 per cent or 7 per cent, but I am not authorized by the committee to make that change. I promise the Senator that the question shall be brought to the attention of the committee. I do not know what the committee will do, but as far as I am personally concerned it will make no difference, in my opinion, whether it is 7 or whether it is 8.

Mr. WILLIS. The Senator is willing to let it go over, then?

Mr. SMOOT. That item is not amendable now, anyhow; but the committee may amend it if they so desire.

Mr. WALSH of Montana. I move to amend the committee amendment by substituting 1½ for 3 cents.

Mr. SMOOT. The Senator will allow us to vote upon this first amendment, will he not, striking out lines 1 and 2? The next amendment is what the Senator has in mind.

Mr. WALSH of Montana. Yes; that amendment may be acted upon.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee, striking out the words which have been read, on page 49, line 24, and lines 1 and 2, page 50.

The amendment was agreed to.

The next amendment was, on page 50, line 4, to strike out "3½" and insert "3" before the word "cents," so as to read:

Containing 60 per cent or more of silicon and less than 80 per cent, 3 cents per pound on the silicon contained therein.

Mr. WALSH of Montana. I move to amend by substituting "1½" for "3."

The amendment to the amendment was rejected.

The amendment was agreed to.

Mr. WALSH of Montana. I would like to inquire of the Senator from Utah if it is his purpose to move to strike out at the appropriate time the remaining clause, and to make the appropriate amendment to carry out his ideas there?

Mr. SMOOT. I have not presented that to the committee. It will be presented to-morrow, if we get time.

Mr. WALSH of Montana. As I understand it, then, it would read substantially, if made to conform to the idea of the Senator, starting with line 2, "containing 60 per cent or more of silicon, 3 cents per pound on the silicon contained therein," with the remainder stricken out?

Mr. SMOOT. That would be perfectly satisfactory to me, and I think it would be to commerce, because it is not known as a commercial product, although if we do that, then we will have to have silicon metal provided for. Silicon metal runs at least 90 per cent and over, and that would have to be taken care of if this provision as to ferrosilicon is stricken out.

Mr. WALSH of Montana. Let me inquire. Silicon metal would be simply plain sand, would it not?

Mr. SMOOT. I will say to the Senator that silicon metal is made of plain sand, but it is the plain sand reduced to a metal through a process which I think the Senator understands.

Mr. WALSH of Montana. No; I do not, because I supposed silicon reduced to metal was pure glass.

Mr. SMOOT. That is one process of making glass, but mixed with other chemicals.

Mr. WALSH of Montana. I thought when we had pure quartz we had pure silicon.

Mr. SMOOT. That is what it is if it were possible to make it.

The VICE PRESIDENT. The Secretary will report the next amendment.

The ASSISTANT SECRETARY. On page 50, line 14, the committee proposes to strike out the word "ferrocerium" and the comma.

Mr. SMOOT. This is what may be called the basket clause. It is reported at 30 per cent ad valorem. I move to strike out "30" and insert "25."

The VICE PRESIDENT. The amendment will be stated.

The ASSISTANT SECRETARY. In line 13, strike out "30" and insert in lieu thereof "25."

Mr. WALSH of Montana. Is it the Senator's purpose to make the same amendment in line 13?

Mr. SMOOT. That is the amendment I am now offering.

Mr. WALSH of Montana. I thought the Senator referred to the "30" in line 13.

Mr. SMOOT. That is a special metal.

Mr. WALSH of Montana. It is chromium.

Mr. SMOOT. It is the cerium metal to which the Senator is referring?

Mr. WALSH of Montana. No; there is a duty of 30 per cent on chromium and its compounds. In line 19 there is a 30 per cent duty on various compounds.

Mr. SMOOT. The committee made no change in those items.

Mr. WALSH of Montana. That is to remain the same?

Mr. SMOOT. Yes; the same. There is no amendment offered.

Mr. WALSH of Montana. Then I take it that is practically a revenue duty.

Mr. SMOOT. No; it is not only revenue but it is a protective duty.

Mr. WALSH of Montana. There are none of those metals that require any protection, are there—ferrophosphorus, for instance?

Mr. SMOOT. If the Senator will look at the importations, he will find there are large quantities of chromium imported from France.

Mr. WALSH of Montana. We export from this country millions of dollars worth of phosphates.

Mr. SMOOT. But this is ferrochromium.

Mr. WALSH of Montana. Ferrophosphate, of course, and other kinds of phosphates.

Mr. SMOOT. That comes in the next bracket. They will fall in the basket clause at 25 per cent. That is the very first item in what I term the basket clause, and I wanted to move to strike out 30 and insert 25.

Mr. WALSH of Montana. On what page?

Mr. SMOOT. On page 50, in line 13, before the words "per centum ad valorem," following ferrochrome and ferrochromium, following the words "ad valorem" is "ferrophosphorus." I thought this was what the Senator had reference to.

Mr. WALSH of Montana. Yes.

Mr. SMOOT. On page 50, line 13, following the words "ad valorem," "ferrophosphorus" is the first word, and that is the first item in what I term the basket clause. They also carry 30 per cent in the House text, but the Senate committee desires to strike out "30" and insert "25."

Mr. WALSH of Montana. I think that is only a revenue rate, and I do not know any particular reason why these products should be revenue producers, except, of course, that they burden the industry to a very considerable extent. There are none of these which require any kind of protection. Take ferrovanadium, for instance. We import the ore very largely from South America, and yet we can compete with the world in the manufacture of ferrovanadium, as appears from the Tariff Commission Survey C-1, page 128, from which I read as follows:

Under present (1920) conditions no tariff problem arises with reference to the manufacture of ferrovanadium. This country furnishes most of the ferrovanadium produced in the world and controls the principal sources of supply of raw material. The imports of ferrovanadium having been very small and sporadic, the imposition of a duty yields only a negligible revenue.

Mr. SMOOT. I will say to the Senator that outside of ferrophosphorus all those items are used only in very small quantities. There are none of them which are really made in any quantity, not only in this country but in the world.

Mr. WALSH of Montana. There is ferrouranium, for instance. Uranium, it will be remembered, is the metal from which by some process radium is produced. We control the supply of the world, and it can not be produced anywhere in the world more cheaply than in the refineries of Pittsburgh.

Mr. SMOOT. I do not know whether there are 100 pounds of it used anywhere in the world. The Senator knows that in making up these basket clauses, they are made with the view that we do not know what will develop in the future. There are items in the bill, particularly in the basket clause, as to which a new discovery may be made, and it is generally put somewhere in the tariff bill. It would fall in the basket clause if they wanted to know something about the statistics of the item itself.

Mr. SIMMONS. Mr. President, may I ask the Senator from Utah a question?

Mr. WALSH of Montana. I yield for that purpose.

Mr. SIMMONS. I think one of the purposes of the power which is to be conferred upon the President in the amendment delegating to him power to fix rates under certain conditions is to meet the cases which the Senator says may possibly arise in connection with the very item he is now discussing.

Mr. SMOOT. If it is on the free list, I will say to the Senator, the President will have no power to take it off the free list.

Mr. SIMMONS. It is not on the free list.

Mr. SMOOT. I know it is not now. The power given to the President would allow him to increase whatever rate is fixed not to exceed 50 per cent, and this is a 25 per cent rate.

Mr. SIMMONS. And he may increase it 50 per cent.

Mr. SMOOT. He may do that. That is, he could increase it to 37½ per cent.

Mr. SIMMONS. The Senator is proposing to confer that power to increase the rate 50 per cent to meet a purely conjectural case.

Mr. SMOOT. Well, we can not tell. No living soul can tell. The Senator knows items of that kind are in every tariff bill.

Mr. SIMMONS. There may be items of that kind in every tariff bill, but I supposed the power given to the President was to take the place of these items.

Mr. SMOOT. Not at all. Nobody can tell what it may be. It may be 100 years before anything is discovered, and it may be 100 days or 100 weeks or 100 months.

Mr. WALSH of Montana. I should not spend any time on these items, which in a way are trifling, except that they illustrate to some extent the characteristic feature of the bill to clap a tariff on anywhere. Take ferrovanadium, as to which we control the world. The importations all come from South America and the mines are owned by American capital. Take ferrouranium. Nobody in the world produces uranium in a fractional part of the quantity that is produced here in this country. Indeed, we supply the world. Take ferrophosphorus, for instance. We have phosphate beds in the West limitless in amount, and they have so much down in Florida and Tennessee that we are shut out of the market absolutely. It is a drug on the market, so far as the United States is concerned, and yet it is proposed to put a tariff of 25 per cent on that product. The Tariff Commission says:

> There is no special problem with reference to tariff classification or kind of duty to be imposed. The competitive position of the domestic producers is not seriously menaced by any known special advantages which the foreign manufacturer may have. While hydroelectric power is cheaper in some foreign countries than in the United States, the blast-furnace ferrophosphorus made in this country, as shown by the small importation, has been able to hold its own against the foreign product. Certain radical alterations in the relative prices of coke and hydroelectric power may, of course, change this situation.
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> The importation of ferrophosphorus has been too small to yield any considerable revenue. Since 1912 the duties collected on imports in any one year never amounted to as much as $1,000. In 1911, under a 25 per cent ad valorem rate, the duties collected on the unusually large importation of 195 tons amounted to only $1,716.

Ferrotitanium is another item in the so-called basket clause. We are in the same favorable situation with respect to that, as appears from the Tariff Commission report, as follows:

> With the present small and sporadic importation of ferrotitanium the tariff problem is not an urgent one, either because of adverse competitive conditions or on account of revenue possibilities. In tariff classification, however, recognition should be given to the fact that the carbon-free ferrotitanium is a much more expensive product than ferro-carbon-titanium, and is produced under different conditions. The possibility of serious competition in the future on account of high power costs merits some consideration.

But for the present there is no occasion for a tariff at all.

Mr. SMOOT. Mr. President, is it not strange that this was all right in 1913? It was all right to name these very items and place a duty upon them in 1913. It was the duty of a statesman to do that in 1913, but in 1922 it is all wrong. Every item, with the exception of ferrozirconium, was named specifically in the law of 1913, and that product was not known at that time, or it would have been included. The importations in this bracket were only $25,000, and I have stated why they are mentioned in the bill. They are items which are not used to any extent in any part of the world. What would the world do if some one were to produce a pound of radium? What would it mean—a pound of radium for all the world? I do not think we ought to take any time in disposing of these things. It makes no difference to the bill whether they come out or whether they stay in.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). The Secretary will state the pending amendment.

The ASSISTANT SECRETARY. In line 14, page 50, the committee proposes to strike out the word "ferrocerium" and the comma.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The ASSISTANT SECRETARY. In line 15, page 50, strike out "ferrosilicon" and insert "zirconium ferrosilicon."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The ASSISTANT SECRETARY. In line 20, page 50, the committee proposes to strike out the words "ad valorem" and insert "ad valorem; cerium metal, $20 per pound; ferrocerium and all other cerium alloys, $2 per pound and 25 per cent ad valorem."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. SMOOT. Now, my motion is to strike out, in line 19, the numeral "30" and insert "25."

Mr. SIMMONS. Mr. President, in voting on amendments, we much prefer that the Chair, instead of saying "Without objection, agreed to"—we may not agree to the amendments—would permit a vote to be taken where there is no call for the yeas and nays. I should much prefer that the Chair should put the question on agreeing to amendments.

The PRESIDING OFFICER. The Chair will be glad to put the question on amendments. The amendment offered by the Senator from Utah will be stated.

The ASSISTANT SECRETARY. In the House text at the end of line 19, on page 50, it is proposed to strike out the numerals "30" and to insert the numerals "25."

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The ASSISTANT SECRETARY. The next amendment is, on page 50, line 20, after the words "per cent," to strike out "ad valorem" and insert "ad valorem; cerium metal, $2 per pound; ferrocerium and all other cerium alloys, $2 per pound and 25 per cent ad valorem."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

Mr. WALSH of Montana. Mr. President, I wish some Senator would make some explanation of that amendment. I have not been able to get any information in reference to it. Two dollars a pound seems to be a pretty stiff duty.

Mr. FRELINGHUYSEN. Mr. President, the duty of $2 per pound on cerium metal is warranted by the import price of $10 a pound. The price on the ferrocerium during the war was $100 a pound. The average price is now about $25 a pound.

The cerium industry is not a large one. During the war a process was developed in this country for the manufacture of cerium alloys and we were able to furnish the Army of the United States and its allies ignition means, without which they would have been seriously handicapped. Prior to the war it was all controlled by an Austrian trust; but during the war the patents were taken over and we began to manufacture it in this country. There were three or four concerns which manufactured it during the war. If we are to maintain this industry in this country it is necessary to impose these duties, which are practically, as near as I can figure them out, about 40 per cent of the cost of the product. I desire to read into the RECORD at this point a statement concerning the character, production, uses, and so forth, of cerium metal:

> Cerium is a soft black heavy metal produced in the electric furnace. Its only recognized use is as the basis of pyrophoric alloy (designated commercially as sparking metal or flints) for lighting appliances, such as mining lamps, gas and pocket lighters, which alloy is composed of about 70 per cent impure cerium metal, hardened by about 30 per cent of iron, zinc, copper, magnesium, or other metals. The alloy is marketed mainly in small cylindrical shaped sizes about one-eighth inch diameter by one-eighth inch long, running about 1,500 to 2,000 pieces to the pound. The normal market in this country is only about 500 pounds monthly, the principal countries using same being France, Germany, Austria, Poland, and Russia, and tropical countries where matches are injured by moisture.
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> The cerium salts used to produce the metal are the residues left after extracting thorium salts (used in the making of gas mantles) from the monazite sands found principally in India and Brazil. The sands are concentrated so that when marketed the Brazilian sands contain 5 to 7 per cent of thoria and the India sands 8 to 10 per cent, the India sands consequently being superior. About 70 per cent of the volume of sands treated for thoria is left as residue. About 5 pounds of such residue, carrying about 50 per cent of cerium salts, are required for a pound of cerium metal.
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> Before and during the war the gas-mantle and the cerium industry of Europe was controlled by a German-Austrian cartel, of which Von Dernberg (the recognized financial representative of Kaiser Wilhelm) was the largest stockholder. The principal company of the cartel was the Treibacher Chemische Gesellschaft, of Treibach, Austria, formed by Auer von Welsbach, the original inventor of the gas mantle. The cartel had branches or subsidiary companies which they controlled in the principal parts of the world, and also controlled the monazite sands of India through a British company, of which they owned the stock. The Brazilian sands were and still are controlled by a French company that worked in accord with the cartel. The cartel produced probably about 5,000,000 pounds of thoria per year, the greater part of which they marketed with their gas mantle, doing a business of several million yearly. The two or three American companies which manufactured thoria were independent of the cartel, but had necessary trade relations on account of their need for getting the monazite sands. Their cost of producing thoria and gas mantles was higher than in Europe on account of their more limited production and because they had no market for their residues. During the war the company controlling the India sands was taken over and sold by the British Government as alien-owned property, and is now controlled by a former German who became a British subject. They have a working agreement with the French company and expect to succeed the original cartel by controlling the main deposits of monazite sands.
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> Before the war the sparking metal business in this country was supplied by a branch of the Treibacher Co. in New York City, in charge of their agent. The cerium metal was shipped here from Austria and made up into alloy at this branch.
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> Cerium metal is produced by an intricate electric-furnace process. The alloy is produced by an even more difficult process. These proc-

esses were kept secret by the cartel. In 1917 a group of leading electrometallurgists here took up the question of producing the metal and the alloy and in 1918 were able to supply all our needs, and resulted in this corporation, representing outlays of more than $250,000.

The cost of producing cerium metal here per pound is about $3.50 and the cost of producing the alloy per pound is about $4.50. The cost abroad, owing to cheaper labor, money, and materials, and larger production on account of larger market, is less than half these costs. The agent of the Treibacher Co. stated that their pre-war cost was less than $1 per pound. This statement is probably fairly accurate. At any rate, the production costs abroad are so much lower that it will be impossible for this newly established industry to continue without reasonable tariff protection. Without such protection our own market, as well as other markets, will be supplied only by foreign-made alloy.

We desire to emphasize the great difference between cerium metal as covered by paragraph 1542 of schedule 15 and the crude minerals or other metals also included in the free list.

Cerium is not a metal which can be extracted from its ores by a simple smelting process, but is a highly intricate article of manufacture. Cerium is produced from the residues of the gas-mantle industry by a very difficult electrolytic process which we have developed in this country. It can not by any consideration be regarded as a raw or unwrought metal, but is an article of manufacture requiring the greatest electrometallurgical skill to produce it.

Its manufacture provides the only use for the residues of the gas-mantle industry, thereby affording an important help to this industry against foreign competition which it would not otherwise have. The national importance of the gas-mantle industry has been recognized by other countries—England particularly—in regarding the manufacture of thorium nitrate and other salts as one of the key industries, and protecting same accordingly. We respectfully contend that the preservation of the cerium industry in this country by suitable tariff protection is of national importance, because the pyrophoric alloys, of which it is the prime constituent, provide the only substitute for matches or other igniting means where these latter can not be obtained or used. During the war, by reason of the processes which we developed for the manufacture of cerium and its alloys, we were able to furnish to the armies of the United States and its allies ignition means without which they would have been seriously handicapped, not only for the uses of the soldiers in the trenches but also in tracer shells and the like. Furthermore, cerium alloys are of vital importance for miners' safety lamps, and mining operations would be seriously handicapped if, in a national emergency, it would be impossible to provide by American manufacture means of ignition for purposes of this kind.

We desire to also call special attention to the difference between ferrocerium and other ferro-alloys with which it is grouped at the present time in paragraph No. 302 of schedule 3 of the proposed tariff. Ferrocerium, as distinguished from the other ferro-alloys, is not used as a subsidiary product for the treatment of alloy of steel, but its only use is in lighting appliances, as previously stated. What we desire to emphasize is that though known as ferrocerium it is not a member of the so-called ferro-alloy group and should be treated absolutely independent of same and under entirely different considerations.

The need for protection of "special-purpose metals" and their alloys has already been recognized in the proposed tariff bill, as, for example, in schedule 3, paragraph 302, molybdenum and other metals; paragraph 375, magnesium and its alloys.

* * * * * * *

Dated December 28, 1921.

Mr. SIMMONS. Will the Senator from New Jersey allow me to ask him a question?

Mr. FRELINGHUYSEN. Certainly.

Mr. SIMMONS. I understood the Senator to say that we are now manufacturing this commodity for $25 a pound.

Mr. FRELINGHUYSEN. I understand that is the price of ferrocerium.

Mr. SIMMONS. I understood the Senator further to say that during the war it sold for $100 a pound?

Mr. FRELINGHUYSEN. Yes; that is my information.

Mr. SIMMONS. There was an embargo during the war; and why did it sell for so much at that time?

Mr. FRELINGHUYSEN. I do not know, unless it was due to the cost of the manufacture. I understand it was difficult to get.

Mr. SIMMONS. I was wondering—and it is about that I desire to elicit an opinion from the Senator—why should this commodity have cost so much as $100 per pound to make during the war when it had an embargo on it, and why have we been able to reduce the price to $25?

Mr. FRELINGHUYSEN. Everything was costly here during the war.

Mr. SIMMONS. Does the Senator know that its manufacture cost 400 per cent more during the war than it now costs?

Mr. FRELINGHUYSEN. Yes; the price of labor has now come down. It cost more to manufacture everything during the war.

Mr. SIMMONS. I do not know how it is in this particular industry about the labor coming down, but labor has not come down in any other industries in any such proportion to that.

Mr. FRELINGHUYSEN. I understand also that when the patents were taken over the manufacture of this commodity was in its experimental stage.

Mr. SIMMONS. But the manufacturers were in possession of the patents when they were charging $100 a pound, were they not, as they are in possession of them now?

Mr. FRELINGHUYSEN. Undoubtedly.

Mr. SIMMONS. It looks like somebody has been practicing extortion upon the American people. If they are not practicing extortion now, they must have been doing so when they charged $100 a pound for this material.

But allow me to ask the Senator another question. Before the war, before we got possession of the patents about which the Senator has spoken, and when we were entirely dependent upon Austria for this particular product, will the Senator tell me what the price of the commodity then was?

Mr. FRELINGHUYSEN. All I have, I will say to the Senator from North Carolina, is the information furnished by the Tariff Information Survey, which gives us the following information:

Before the war the pyrophoric alloy manufactured in this country was made from metallic cerium imported from Germany. Soon after the imports were cut off by the war, the manufacturers of metallic cerium was undertaken by the New Process Metals Co. of New York. This company was, however, unable to make the pyrophoric alloy with iron owing to a patent controlled by the Austrian manufacturers, and the company therefore sold their product to the American agent of the Austrian producers. Under the trading with the enemy act in 1917 the New Process Metals Co. was able to secure a license from the Federal Trade Commission and is now manufacturing pyrophoric alloy under the patents formerly controlled by the Austrian manufacturers. Pyrophoric alloy has been quoted at $25 to $40 per pound—

That is the ferrocerium, as I understand—

depending upon its quality and the degree of manufacture. Misch-metal sells for about $10 per pound—

That is the cerium metal, as I understand—

Statistics for the domestic production are not available, but the annual consumption in the United States has been estimated at about 20 tons. During the war a small export trade with the Allies was developed, but it is very doubtful if this will be held after normal conditions are restored in Europe.

Imports of pyrophoric alloys are not published separately in the official statistics. Imports of "cerium, cerite, or cerium ore," which are made up chiefly of metallic cerium and misch-metal, are shown in Table 20.

Mr. SIMMONS. What I desired particularly to find out was how much more we have to pay for this little item now that we are manufacturing it than we had to pay when we were not manufacturing it. I think it would be very desirable information if we could get it. I should also like to know what the price was before we began to manufacture it, when we imported it from abroad. Has the Senator any information as to what we paid for it before we began the manufacture of it?

Mr. FRELINGHUYSEN. I have not that information, I regret to say to the Senator from North Carolina.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. WALSH of Montana. Mr. President, before voting on this item, I desire to give the Senate the benefit of further information on this subject furnished by the Tariff Commission. Before I do so, however, I desire to recall that the Senator from North Dakota informed us that hydroelectric power could be secured in Norway for something like $7 per horsepower. That statement, he advised us, was made upon the advice of the expert of the Tariff Commission who sits with him in this Chamber. To show how the information that thus comes offhand from the expert should be regarded, I read from page 159 of the Survey C-1, which must have been the source of the information given to the Senator from North Dakota by his assistant:

In Europe rates for hydroelectric power are hard to state, on account of the demoralized monetary conditions prevailing over the greater part of the Continent. In Norway, as noted in discussing ferrosilicon, one American company—

One American company—

according to a contract entered into in 1913, pays a rate of $7.40 per horsepower year, or about $0.0011 per kilowatt hour. A Swedish metallurgical engineer, now president of a blast-furnace company in Sweden, informed a representative of the Tariff Commission that hydroelectric power in Norway now (1920) costs three times as much as it did in the pre-war period.

As to cerium, upon which the Senator from New Jersey modestly asks for a tariff duty of $2 a pound, the Summary of Tariff Information states:

Description and uses: Cerium is a soft, steel-gray metal occurring in more than 60 minerals. Of the entire list of cerium-bearing minerals, two may be regarded as commercial sources. These are the phosphate (monazite sand, par. 1616)—

That is, it is on the free list—

and the silicate (orthite). Cerite, a hydrous silicate occurring in Sweden, was for some time the only commercial source of cerium compounds. Monazite sand, the most important cerium ore, is mined for its content of thoria, which is used in incandescent gas mantles. Cerium is a by-product and is obtained in excessively large amounts.

It is a by-product, Mr. President, of the production of thoria, and in the production of thoria is secured an excessively large amount of cerium. There is so much of it that it is found next to impossible to dispose of it—

No commercial use has been found for the pure cerium metal, but certain of its alloys and compounds have a fairly extended range of application. The quantity consumed, however, is only a small fraction of the production. Incandescent gas mantles, besides thoria, contain 1 per cent of ceria. Certain cerium alloys, e. g., pyrophoric alloys, throw off glowing particles when scratched by a hard metal, a property utilized in automatic cigarette and gas lighters. Other alloys are used as reducing agents and as dexodizers in the manufacture of high-grade iron and steel castings—

It will be seen that we usually run up against the steel industry in connection with these products—

Cerium fluoride is used extensively in carbon electrodes for "flaming" electric arc lamps. Cerium salts are also used in medicine.

Production statistics of cerium are not available, but consumption of monazite sand indicates an output of at least 250 tons of ceria (cerium oxide).

A duty of $2 a pound represents $4,000 a ton; so that the duty on 250 tons would be a trifling matter of $1,000,000 imposed on the taxpayers of the country by this innocent-looking item in the bill:

At least 10,000 tons of ceria are estimated to have accumulated at the gas-mantle factories.

Imports of cerium, cerite, and cerium ore are small and of no significance. They were valued at $10,712 in 1914 and at $5,260 in 1918 (fiscal year). They came entirely from Austria in 1914. There were no importations in 1919 and only $30 worth in 1920.

Mr. FRELINGHUYSEN. Mr. President, everything that the Senator from Montana has said is perfectly true, with the exception of the statement that this is a tax on the consumers of this country to any great extent. If we are going to protect this industry and keep it here—and I am in favor of doing so—$2 a pound is not an excessive duty.

Cerium is a by-product, but I am informed—and this is some expert information which I have procured—it is not a metal which can be extracted from its ores by a simple smelting process, but is a highly intricate article of manufacture. Cerium is produced from the residues of the gas-mantle industry by a very difficult electrolytic process which we developed in this country. It can not by any consideration be regarded as a raw or unwrought metal, but is an article of manufacture requiring the greatest electrometallurgical skill to produce it. Its manufacture provides the only use for the residues of the gas-mantle industry, thereby affording to this industry an important help against foreign competition, which it would not otherwise have.

Mr. President, as I am informed that the cost of the manufacturing process is some $4.50 to $5.50, I submit that a duty of $2 will not create an embargo. The Senator from North Carolina has asked why the price is $25 a pound. It seems to be due to the fact that the process and the labor employed in it must constitute a very large portion of the cost of production and manufacture. If a duty of $2 a pound is placed upon this product, with a lower cost of manufacturing in Germany or Austria, which have been the competing countries heretofore, it surely will not prevent to any great extent the competitions of Europe or cause an increased tax upon the consumers in this country.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from North Carolina?

Mr. FRELINGHUYSEN. I do.

Mr. SIMMONS. I do not know whether I understood the Senator a little while ago, but I thought I understood him to say, while he was reading from the brief there, that the cost of manufacture was $4 a pound or $4.50 a pound.

Mr. FRELINGHUYSEN. I understand from the figures I have here that the cost of producing ferrocerium is about $4.50 to $5.50 per pound.

Mr. SIMMONS. Then I again ask why it is sold for $25 a pound.

Mr. FRELINGHUYSEN. I do not know, Mr. President, why it is sold for $25 a pound.

Mr. SIMMONS. That is a very important thing.

Mr. FRELINGHUYSEN. Nor do I know what the foreign cost is.

Mr. SIMMONS. The foreign cost has nothing to do with it. The Senator says that he wants an article protected which is produced in America for $4.50 and sold to the American consumer for $25 a pound.

Mr. FRELINGHUYSEN. Why, certainly, Mr. President. I am basing my argument for a duty on a cost of production of $5.50 per pound.

Mr. SIMMONS. Mr. President, if an American producer can sell his product in this market for six times what it costs to produce it, it must be because he already enjoys a monopoly; otherwise he could not command any such profit as that upon his product. It seems to me that where it is shown that the American consumers are having to pay six times the cost of producing an article in the domestic market, if it can be made anywhere else and sold to us at a rate that would protect us against this enormous, this unconscionable profit of six times the cost of production, we ought not to be excluding it by this high, prohibitive tariff.

Mr. FRELINGHUYSEN. Mr. President, does the Senator contend that $2 a pound duty against a manufacturing cost of $5.50, even if the product is selling at $25, is a prohibitive duty?

Mr. SIMMONS. It would appear that something is prohibiting it. I do not know.

Mr. FRELINGHUYSEN. But is the duty prohibiting it?

Mr. SIMMONS. Is it not apparent to the Senator that this product does not require, and that the producers of this product have no right to ask the American people to keep out foreign competition when they are selling that article in this market to the American people for six times what it costs to produce it? That is the point I am making.

Mr. FRELINGHUYSEN. Mr. President, I was informed that the price was $25, and I am informed that that was during the war. I have some further testimony on the subject.

Mr. SIMMONS. But the Senator said it was $100 during the war, and is $25 now. That is the point I am making with him.

Mr. FRELINGHUYSEN. It was $100 during the war.

Mr. SIMMONS. And that it is $25 now, and that it costs $4.50 to produce it in this country.

Mr. FRELINGHUYSEN. I did say that.

Mr. SIMMONS. Now, the Senator wants to protect the American people against foreign competition on an article that is being sold to the American consumer for six times what it costs to produce it.

Mr. FRELINGHUYSEN. Mr. President, here is some further testimony upon this rather vague subject—the testimony of Mr. Alexander Harris, at page 4421:

The price in this country is $7 per pound, but special grades of this material bring about $15 per pound, and some other grades bring $18 per pound.

Mr. SIMMONS. If the Senator keeps on he will get it down to nothing after a while. He started with $100, and got it down to $25, and now he gets it down to $15 and $18.

Mr. FRELINGHUYSEN. No; I would not do that, because then the duty would be too high.

Mr. SIMMONS. I think we ought to have the yeas and nays on this amendment.

Mr. WALSH of Montana. Mr. President, I think I shall ask for the yeas and nays on this amendment; but before doing so I should like to summarize the situation.

It costs $5.50 a pound to produce this commodity. It is sold for anywhere from $7.50 to $25 a pound. We know absolutely nothing whatever about what it costs to produce it abroad. We do not even know what the foreign price is. That is the brief situation as it has developed. It is a by-product, just simply utilizing some waste.

I ask for the yeas and nays.

Mr. McCUMBER. Mr. President, I will ask if the Senator from New Jersey will be willing to pass over this paragraph?

Mr. FRELINGHUYSEN. Why, no, Mr. President, unless the Senator insists, of course.

Mr. McCUMBER. No; I will not insist.

Mr. FRELINGHUYSEN. I think it ought to be voted on. I do not think the duty is at all unreasonable, and it might just as well be settled now.

Mr. McCUMBER. Very well.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee, on which the yeas and nays have been requested.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. JONES of New Mexico (when his name was called). I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Missouri [Mr. REED] and ask that this announcement may stand for the day. I vote "nay."

Mr. SIMMONS (when his name was called). I have a general pair with the junior Senator from Minnesota [Mr. KELLOGG], who is absent from the Chamber. I transfer that pair to the senior Senator from Texas [Mr. CULBERSON] and will vote. I vote "nay."

Mr. SUTHERLAND (when his name was called). Making the same announcement as on the previous vote with reference to the transfer of my pair, I vote "yea."

The roll call was concluded.

Mr. HALE. Making the same announcement as before, I vote "yea."

Mr. ELKINS. I transfer my pair with the Senator from Mississippi [Mr. HARRISON] to the Senator from Vermont [Mr. PAGE] and vote "yea."

Mr. GERRY. I desire to announce that the senior Senator from Alabama [Mr. UNDERWOOD] is unavoidably detained. He

is paired with the senior Senator from Massachusetts [Mr. LODGE].

Mr. STERLING. I transfer my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from New York [Mr. WADSWORTH] and vote "yea."

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. MCKELLAR].

Mr. ERNST (after having voted in the affirmative). I transfer my general pair with the senior Senator from Kentucky [Mr. STANLEY] to the junior Senator from Delaware [Mr. DU PONT] and permit my vote to stand.

The result was announced—yeas 34, nays 25, as follows:

YEAS—34.

Brandegee	Gooding	McLean	Spencer
Bursum	Hale	McNary	Sterling
Capper	Johnson	Nelson	Sutherland
Curtis	Kendrick	Newberry	Townsend
Dillingham	Keyes	Oddie	Warren
Elkins	Ladd	Phipps	Watson, Ind.
Ernst	McCormick	Poindexter	Willis
France	McCumber	Rawson	
Frelinghuysen	McKinley	Smoot	

NAYS—25.

Borah	Heflin	Norris	Swanson
Caraway	Jones, N. Mex.	Overman	Walsh, Mont.
Dial	Jones, Wash.	Pittman	Watson, Ga.
Gerry	King	Pomerene	Williams
Glass	La Follette	Ransdell	
Harris	Myers	Sheppard	
Harrison	Norbeck	Simmons	

NOT VOTING—37.

Ashurst	Edge	New	Stanfield
Ball	Fernald	Nicholson	Stanley
Broussard	Fletcher	Owen	Trammell
Calder	Harreld	Page	Underwood
Cameron	Hitchcock	Pepper	Wadsworth
Colt	Kellogg	Reed	Walsh, Mass.
Crow	Lenroot	Robinson	Weller
Culberson	Lodge	Shields	
Cummins	McKellar	Shortridge	
du Pont	Moses	Smith	

So the amendment of the committee was agreed to.

DISTURBANCE OF OPEN-AIR MEETINGS BY AIRPLANES.

Mr. HEFLIN. Mr. President, I ask unanimous consent for the present consideration of the joint resolution which I send to the desk.

The PRESIDING OFFICER. Without objection, the joint resolution will be read by title.

The joint resolution (S. J. Res. 207) to prevent airplanes from disturbing public assemblies in the District of Columbia was read twice by its title.

The PRESIDING OFFICER. The Senator from Alabama asks unanimous consent for the present consideration of the joint resolution.

Mr. WILLIAMS. I object.

The PRESIDING OFFICER. Objection is made.

Mr. HEFLIN. Mr. President, does the Senator from Mississippi know just what this resolution seeks to do? Did the Senator from Mississippi hear the title read?

Mr. WILLIAMS. Of course I did, or I would not have objected. What does the Senator mean by that sort of an insolent inquiry?

Mr. HEFLIN. It is a joint resolution to prevent airplanes from flying overhead and disturbing public assemblies in the District of Columbia.

Mr. WILLIAMS. I understood that perfectly, and I also understood that an airplane interfered with a public meeting at which the Senator from Alabama was making a speech.

Mr. HEFLIN. That is correct. I was speaking under the auspices of the Washington Elks on the subject: "The American Flag."

Mr. WILLIAMS. And I have objected to unanimous consent for the consideration of the resolution. What did the Senator mean by his insolence in asking me whether I understood?

Mr. HEFLIN. I meant no insolence whatever. Am I to understand that the Senator from Mississippi would object to a resolution to prevent the disturbance of people assembled for the purpose of paying tribute to the American flag?

Mr. WILLIAMS. Mr. President, I was not objecting to preventing any disturbance——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Mississippi?

Mr. HEFLIN. No; I do not yield.

Mr. WILLIAMS. I shall not object to preventing any disturbance——

The PRESIDING OFFICER. The Senator from Alabama has the floor, and he declines to yield to the Senator from Mississippi.

Mr. WILLIAMS. Then I will wait until he is through, and I will claim the attention of the Chair.

Mr. HEFLIN. Mr. President, complaints have come frequently from patriotic bodies and religious bodies holding open-air meetings in the District of Columbia about being disturbed by airplanes flying overhead or near by them. The weather is warm, and people are holding meetings in the open air in the District of Columbia, as they have a right to do. These airplanes come out and circle around overhead and near the assemblies, disturb these meetings, and make it impossible for the people to proceed with their programs.

Just two weeks ago the President of the United States was making a speech down at the Lincoln Memorial, receiving that magnificent monument on behalf of the people of the greatest Government in all the world, and one of these airplane fellows, taking pictures for a moving-picture show, I am told, circled overhead and made such a noise as to greatly disturb the President, and the President was naturally very indignant at the aviator's performance. Everybody was indignant at that discourteous treatment of the President of the United States and of the patriotic people who had assembled for the purpose which called them together.

On yesterday the Elks of the city of Washington had their flag-day service, and we were assembled at the base of Washington's Monument, out in the open air, in the Sylvan Theater. Representative FREE, a Republican Member of Congress from the State of California, read the Elks' tribute to the flag. I had been invited by the Elks to make a speech upon that occasion, to deliver the principal address, and my subject was "The American Flag." There we were, Mr. President, assembled out on the green, holding this patriotic meeting, and an airplane making a tremendous noise passed over the assembly. It disturbed me and disturbed the meeting. I had to stop speaking two or three times on account of the noise. Several people, including myself, waved to him to leave. In about five minutes he returned and repeated the annoying performance. He circled over and around us about three times. He annoyed, irritated, and disturbed everyone present. The whole audience showed its resentment at his uncouth conduct. That patriotic assembly in the Capital of the Nation had to endure the outrageous performance. I announced that I was going to undertake to protect the people of the District of Columbia from such annoyances and disturbances in the future. The audience with hearty applause expressed its approval of my suggestion. The people of Washington are entitled to the protection that my resolution provides. When the Senator from Mississippi objected, I thought that he probably had not understood the purpose of the resolution and I felt that maybe his desire to go on with the tariff discussion prompted his objection to the consideration of the resolution at this time. Certainly I meant no offense to the Senator by asking if he understood what it was I was trying to do.

The Senator became angry and indignant because I wanted to know if he knew what it was I was trying to do at this time. I merely thought he did not want to consider any resolution now. But he informed me that he did know, and that he did object, so that is all there is to it. I will just have to wait until I can get it up at some other time.

Mr. WILLIAMS. Is the Senator through?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Mississippi?

Mr. HEFLIN. Not yet; he doesn't look friendly enough to warrant me in yielding to him yet.

Mr. WILLIAMS. Go ahead, then.

Mr. HEFLIN. Mr. President——

Mr. WILLIAMS. Mr. President——

The PRESIDING OFFICER. The Senator from Alabama has declined to yield to the Senator from Mississippi.

Mr. WILLIAMS. Oh, has he?

Mr. HEFLIN. I yield to the Senator from Mississippi.

Mr. WILLIAMS. No; I shall wait until the Senator from Alabama imagines he is through.

Mr. HEFLIN. It will probably be an hour or so before I am through.

Mr. WILLIAMS. All right, then, I will wait for an hour or two.

Mr. HEFLIN. Mr. President, I was merely jesting about speaking an hour. I believe that is about all I desire to say at this time. I really did not think there would be any opposition

to the joint resolution, but I will have to wait, since the Senator from Mississippi will not agree to take it up at this time.

Mr. WILLIAMS. Mr. President, I am highly delighted at the idea that the Senator from Alabama has expressed that maybe he could "wait for an hour or two" until I had gotten through expressing my objections to this. Of course, I conceived long ago that the Senator from Alabama expressed some remarkably new ideas or a remarkably new concurrence of modern ideas that might at some time be renaissance. The Senator just informed me that he was advocating this resolution because of certain "religious or patriotic" motives, and as far as I can learn his religious and patriotic motives amount to this, that at a certain meeting in the city of Washington, where he was speaking, an airplane flew over and interfered with his discourse.

Of course, every now and then something may interfere with the distinguished Senator from Alabama in his discourse. Shall I call it a discourse?

I leave that to posterity. It may be or it may not be. At any rate, in the opinion of the Senator from Alabama, an airplane flying around loose in the free air interferes with the discourse of a Senator of the United States. Why, Mr. President, if that Senator were even the Senator from Utah [Mr. SMOOT] or the Senator from North Dakota [Mr. MCCUMBER], much more political personages than the Senator from Alabama even, I would contend that a fellow had a right to fly around in the air regardless of who was walking or talking on the earth below him just so he did not injure him. You know, I can not imagine that even the Senator from North Dakota, at the head of the Finance Committee, or one of his experts, or even the Senator from Utah, of secondary consideration upon the Finance Committee, or one of his experts, could have a right to utter a protest against another American citizen flying around in the air away yonder above them maybe 500 feet, maybe 5,000 feet, not disturbing them at all, not rustling up against them, not hurtling their elbows.

Why, Mr. President, can you imagine a Senator from the State of Washington—and there is one from that State sitting in the chair at this present moment—can you imagine that when he was flying an airplane from Washington State on the way to Washington City, coming by way of Mississippi, that I would be entitled to complain, because he interfered with a Fourth of July speech of mine or some other speech of mine, which I chose to consider a form of "public worship"? Even a Fourth of July speech of mine is generally a very good speech. I say so myself. I acknowledge it. I do not admit that an ordinary speech of the Senator from Alabama is a very good speech. But suppose that I entered into the arena claiming that the Senator from Vermont [Mr. DILLINGHAM], who sits opposite me now, had no right to fly an airplane and flutter its wings, while I, an immortal Senator of the United States, were talking to a Fourth of July audience about something. Anyhow, the Senator from Alabama was talking to somebody about something. It was the immortal Senator from Alabama who was talking to somebody about something, and a "balloon riz up," an airplane impudently fluttered in competition with his voice. He did not quite realize what he was talking to, but that is an ordinary habit with him.

Mr. HEFLIN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Alabama?

Mr. WILLIAMS. Of course.

Mr. HEFLIN. The Senator from Alabama knew about what he was saying and the audience he was addressing.

Mr. WILLIAMS. Oh, Mr. President, I have no doubt that the Senator from Alabama thought that. I have no sort of doubt that he thought the audience was following him. I have watched him for quite awhile in this body, and I have never caught an audience following him. But perhaps that particular audience was following him. At any rate, I am thoroughly convinced that the Senator from Alabama was convinced that he was speaking seriously and that a lot of other people were listening seriously.

Now, Mr. President, so far as I can learn, there is nothing free in the world except the air. The earth is not free because the trusts own it. The political future of the United States is not free because the Republican tariff barons own it. Europe is not free because France's militaristic instincts own it. There is nothing free except the air. For God's sake, leave the air free even if it interrupts the President of the United States or the Senator from Alabama.

I started to go further and say that it ought to be left free even if it left the Senator from Mississippi interrupted by an airplane fluttering, but I will not say that because I represent the State that has been represented by Jeff Davis, by Robert J. Walker, as Secretary of the Treasury, by George Poindexter, by Edward Cary Walthall, and James Z. George—and by me, outside of all them, and they and I were or ought to be sacred—sacro-sanct.

But, Mr. President, just think—just think for one moment of the audacity and the insolence of an infernal airplane flying over my head right now, for example, while I am trying to address your intelligence, which is singularly absent by lack of attention. Think of what it would amount to. Why, I could not stand for that any more than the Senator from Alabama could stand for it. Airplanes! Things up in the air with no regulated routes, with no regulated highway, flying around as they darned please, fluttering over a President, and worse than that, infinitely worse than that, now and then fluttering over the head of the Senator from the State of Alabama.

Think of it! Why, the fellow that is running that airplane is taking his life in his hands. He may be risking his existence, but I challenge him to risk his existence at the expense of the oratory and the eloquence of the Senator from Alabama. He has no right to do it. It is too little of an ante in comparison with the pot. The oratory and the eloquence of the Senator from Alabama are so much of a public nature, of so much public value, that a man in the air flying an airplane, even if he were formerly an aviator operating for America in France or Belgium, has no right to interfere with his eloquence and his oratory. His eloquence and his oratory I am acquainted with, and you are, too, and they are of the very highest excellence. They are of that form of excellence that punishes itself with constant matutinal and vesper performances at the expense of the grandest banking system and the grandest financial system that the world has ever seen.

Why, Mr. President, I hear somebody on the Republican side saying, "Not only has an airplane interferred with the Senator from Alabama"—of course, that is the biggest thing in the world—"but an airplane absolutely offended President Harding, the President of the United States, and came flying down just a while ago over the Lincoln Memorial." Mr. President, Mr. Harding, whom I love very much—I served with him here in the Senate for years, and I learned to love him very much—has no cause for complaint, because he had his photograph taken under the airplane and the airplane taken over his photograph.

Mr. President, I believe that is all I have to say, except that as between a division of the universe between the earth and the air, the earth devoted to the President of the United States and the Senator from Alabama, and the air devoted to God and the angels and the airplanes, I would rather a little bit be on the side of the airplanes and God and the angels. There is no telling what is coming from the air after awhile, but everybody knows what is coming from President Harding and from the Senator from Alabama.

Oh, Mr. President, why all this camouflage? Why all this nonsense? Why all this disproportion? Why all this idea that the Congress of the United States, exerting its influence only over the District of Columbia, can control and conclude the air routes above us and the earth beneath us? When I get up to make a public speech in the open air at some time or other, as I may some time when I have less sense than I have now—I would not do it now for $1.25—I would defy all the planes of heaven or in heaven or in the air pretending to be heaven—I do not know which—to interfere with my "discourse," because my discourse will be founded upon sentiment and honor and logic, and no airplane flutterings can interfere with that sort of discourse. My discourse will come from the old-time traditions and from new-time idealism, and airplanes can not flutter me out of existence and can not even flutter me out of patience. I am not astonished at the Senator from Alabama that he should have been fluttered out of patience, because he never had too much patience, anyhow; but I was astonished at President Harding that he should be fluttered out of patience, because I always imagined that about the chief virtue President Harding had was his patience—patience with "standpatters," patience with "progressives," patience with everybody. Methinks I hear a voice from Alabama saying to the air, "Wait awhile longer and I will tell you what I meant."

Mr. HEFLIN. Mr. President, I shall detain the Senate for but a moment. The joint resolution which I have submitted, I believe, would be indorsed by all the men, women, and children of the District of Columbia. Airplanes circling over public gatherings make such a noise that the people can not conduct in a decent and orderly manner their public meetings. They are entitled to be protected from such noises and disturbances. The Senator from Mississippi [Mr. WILLIAMS]

probably never heard one of these airplanes buzzing around in the air. I do not know that he knows that they circle over the city of Washington, but they really do. They fly around here very promiscuously. There are statutes in the States against disturbing public assemblies. Penalties have been imposed upon people who disturb public worship or who disturb public speaking by making noises which interfere with the proper conduct of such exercises. The people in the District of Columbia, in the Capital of the Nation, are entitled to have protection from disturbing noises made by anybody on the ground or in the air above the ground. I resented the insult and the insolence offered to the President of the United States by the man who swooped down over that assemblage when the President of the country was speaking at the Lincoln Memorial dedication exercises. Everybody without a single exception—men and women, Democrats and Republicans—who have talked to me about the incident said there ought to be some way of preventing its recurrence. I agreed with them.

On yesterday, as I have said, services in honor of flag day were being held at the Washington Monument, certainly a sacred place, and certainly the speaking was about something which is dear to the heart of every loyal American—the American flag. It was also upon the Sabbath Day, and surely we were entitled to be protected from the noise of the buzzing airplanes flying over the heads of the people there assembled, trying to listen to some one whom they had honored by inviting him to speak upon that occasion, and who had responded to their request and was doing the best he could under the circumstances.

I protested then; everybody there protested. Scores of those who were present came up afterwards and told me that they hoped I would introduce a resolution designed to prevent such occurrences in the future. Representative FREE and I—he a Republican Member of the House of Representatives and I a Democrat in the Senate—agreed that we would frame a resolution for the purpose of protecting outdoor meetings in the District of Columbia from such annoyance.

That is my purpose in now offering the joint resolution. It is designed to prevent the recurrence of such incidents hereafter when open-air meetings are being held in the District of Columbia, whether by civic organizations, religious organizations, or patriotic assemblies, for they are all entitled to be protected from such disturbing noises. That is the purpose of the joint resolution which the Senator from Misssissippi has not even permitted to be read in the Senate. I tried to have the resolution read, but he would not even hear the preamble, and so he does not know any more what is in it than does a mouse-colored mule about operating an airplane. He rushes to the rescue to keep the air free. I suppose there would not be any harm, according to the Senator's view, in dropping a few bombs out of the air, because the air is free and one may drop bombs out of it just as he can make a noise. Mr. President, I am going to insist upon protecting the open-air meetings of the people in Washington from disturbing noises.

Mr. WILLIAMS rose.

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Mississippi?

Mr. HEFLIN. I yield to the Senator.

Mr. WILLIAMS. Oh, no. I have not asked the Senator to yield. I was waiting until he got through, and I thought he was through.

Mr. HEFLIN. The Senator is again mistaken, as he usually is.

Mr. WILLIAMS. Oh, I know that.

Mr. HEFLIN. Mr. President, I do not believe I will say anything more now. I am sure that everybody here understands the situation. I shall bring the joint resolution up at some other time.

Mr. WILLIAMS. Mr. President, when I rose thinking that the Senator from Alabama was through, I knew he was through. Just for a moment or two he denied that he was through, but I knew he was through, because I knew he had nothing more to say of any description.

The Senator tells me that men, women, and children heard the airplane threatening destruction of everybody below. Mr. President, I have seen men, women, and children gathering around every now and then to see the airplanes fluttering in the air, doing no harm to anybody, but making a little noise. Why should anybody quarrel with a thing which makes a noise in competition with a Senator making a noise? [Laughter.] They are both equally noisy and, between the two, the airplane is the more scientific noise. The airplane makes a scientific noise, while a Senator makes an ordinary plebian noise; an ordinary common noise. And when the Senator complains that an airplane has entered into competition with him, Mr. President, that simply means that he thinks that gas in the air running an airplane ought not to be recognized as superior to gas on the floor of the Senate running a Senate plane. I decline to recognize that superiority.

The Senator went on a little bit further, misled by his religious sentiment, to say that airplanes were "disturbing religious worship." Think of that, Mr. President, and, by the way, think of it twice, and think of it three times! Airplanes up yonder were disturbing religious worship down here where the Senator was and where the President was—either or both. Whose religious worship? What religious worship? The religious worship of the President of the United States uttering a great speech? And by the way it was a great speech. I am a Bourbon Democrat, but it was a great speech.

The airplane did not disturb that speech; it went to the whole country. It probably struck a responsive chord in the hearts and minds of all the nonpartisan people of the United States, although I knew when I read it that there was a lot of partisanship in the heart of it and that he meant something which perhaps the majority of the people in the United States did not understand.

Then, Mr. President, the second great argument is that the Senator from Alabama was carrying on public worship. Was it public worship, or was it not?

Mr. HEFLIN. It was a service in honor of the United States flag.

Mr. WILLIAMS. Oh, I understand; and in his speech about this question the Senator said the airplane was disturbing public worship—and I took that phrase down—but now he tells me that it was worship of the United States flag. Well, Mr. President, I am not an idolator even of the United States flag. My children have fought for it; my forefathers have; my grandfathers have; but we never recognized that God's image on earth was on a piece of bunting, and never thought that such an occasion was a species of public worship. We never believed in any form of idolatry, even flag worship.

There was an airplane flying over the Mount Vernon Church. Was it the Mount Vernon Church? I wish to be accurate.

Mr. HEFLIN. The exercises were at the Washington Monument. The 14th day of June is flag day, and they were holding flag-day services on Sunday.

Mr. WILLIAMS. Where was the Senator speaking?

Mr. HEFLIN. At the Washington Monument—out in the open.

Mr. WILLIAMS. At the Mount Vernon Church?

Mr. HEFLIN. No; at the Sylvan Theater in the Washington Monument Grounds.

Mr. WILLIAMS. Now we have it. So this meeting was being conducted in a sylvan theater—s-y-l-v-a-n, I suppose, one of the most highly attractive words in the English language. The Senator was there and he was making a speech, and all at once there arose a humming sound. What was it? An airplane. There was a buzzing sound way up in the air which disturbed the eloquence of the Senator from Alabama, who upon this occasion complains that they were "disturbing public worship." I believe he said the airplane was disturbing public worship.

Mr. HEFLIN. A public assembly.

Mr. WILLIAMS. Oh, public assembly; that is still more indefinite. "Public worship" I could have understood, but "public assembly" I can not understand for the life of me. It may mean an assembly of anybody; it may mean an assembly of Russian soviets; it may mean an assembly of French communists; it may mean an assembly of American labor unions, or it may mean an assembly of those who are protesting against labor unions. Public assembly! The Senator now, on second thought, declines to say that it was a case of "public worship," although he has been very particular to tell me that it all happened on Sunday—the Lord's Day—the Sabbath Day. The Senator himself talked, and he tried to listen to others talk as he tells us. Why? The airplane was not trying to listen. Why? It knew why, and in that respect it was superior to the Senator, or his audience.

And then the Senator closes up with a general little anecdote about "a mouse-colored Alabama mule."

Mr. President, there are all sorts of Alabama mules. There are nearly all sorts of mouse-colored Alabama mules. I would hate to say it, I would hate to believe it, I would hate to designate it, but judging by the Senator's matutinal and vesper attacks upon the greatest achievement of the American people, the reserve bank system, morning and night, every day and every morning, matins and vespers—Mr. President, I would hate to say it, but I am almost compelled to say, that the Senator from Alabama is absolutely mistaken about the mouse-colored

Alabama mule's particular personality and localization. Is not that about the kindest way I could put it, the most charitable way that I could put it?

The VICE PRESIDENT. The joint resolution will lie on the table.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. McCUMBER. Mr. President, I believe now that we have disposed of the paragraph that was just under consideration; and if that is the case, I desire to return to page 76, paragraph 359, surgical and dental instruments. I offered an amendment this morning to the first part of that paragraph, and the Senator from North Carolina [Mr. SIMMONS] asked that it might be temporarily passed over. I therefore yield to the Senator from North Carolina.

Mr. SIMMONS. Mr. President, the Senator from New Mexico [Mr. JONES] desires to be heard upon that paragraph, and he has just come into the Chamber.

Before beginning the consideration of the paragraph I desire to read a letter which I have received to-day from the Williams Brush Co., importers, 1009 and 1011 Filbert Street, Philadelphia, addressed to myself:

DEAR SIR: We were recently requested by the United States Tariff Commission to furnish them confidentially with information concerning the cost of our goods, the profits we made, and other data of this nature pertaining to our business. We complied promptly, but added the suggestion that the domestic manufacturers who were so insistent for increased protection should also be requested to furnish the same data, because if a just solution of the tariff problem is what you are seeking, we believe such information necessary. We named particularly the following houses:

Florence Manufacturing Co., Florence, Mass.
Rubberset Brush Manufacturing Co., Newark, N. J.
Arlington Manufacturing Co., Arlington, N. J.

We believe that you will see the justice in this. We call your attention to the matter because we are to-day notified by the United States Tariff Commission that your committee requested no information on this subject except relating to the importer's overhead and profit.

That is signed by the Williams Brush Co.

I am not complaining at all at the request on the part of the committee for this information with reference to the profits of the importers, but I am reading this to ask the chairman of the committee if he will not also request the Tariff Commission at the same time to ask for the profits of the American manufacturers of this particular product. I think we ought to have information as to the profits of the business of both the importer and the manufacturer if we are going to compare foreign prices with domestic prices in the matter of making tariff duties.

Mr. McCUMBER. Of course, Mr. President, the object of securing the foreign valuation on which we base our tariffs in all instances is to obtain first the selling price; then, if that can not be obtained, to obtain the cost of manufacture—that is the second proposition—and then adding thereto a reasonable amount for profit, and so forth. The whole object of that letter was to get the data that was necessary, not from the standpoint of protection at all, in order to determine the probable selling price or cost price of the article under the second clause of the bill relating to the levying of duties; and it was not intended to get a mere comparison of American profits with foreign profits. However, I shall be glad to take up the subject as the Senator requests.

Mr. SIMMONS. Yes. For the same reasons that the Senator from North Dakota desires to know something about the foreign cost and the profits of the importer, who really is the wholesaler of foreign goods, I desire to know something about the cost of production of the American article and the profits charged by the American manufacturer and wholesaler.

I shall be glad if the Senator will take this letter, and if he will ask for the counterinformation suggested.

Mr. McCUMBER. The Senator will recall that in the Reynolds report we were seeking, under the bill as it was then drawn upon the American valuation, to get the spread between the landed cost, the selling price of the foreign article, and the selling price of the comparable American article.

Mr. SIMMONS. Yes; and profits are a very important element in that connection.

Mr. McCUMBER. Certainly.

Mr. SIMMONS. Therefore, if we are going to seek the profits charged by the importer, we ought also to have the profits of his competitor in the domestic market.

The Senator from New Mexico is in the Chamber now and I think is ready to proceed with paragraph 359.

Mr. JONES of New Mexico. Mr. President, I ask whether the amendment proposed by the committee has been stated?

The PRESIDING OFFICER (Mr. POINDEXTER in the chair). The amendment proposed by the committee will be stated.

The READING CLERK. On page 76, paragraph 359, the committee proposes to strike out lines 14 to 21, down to and including the words "ad valorem," and to insert:

Surgical instruments and parts thereof composed wholly or in part of iron, steel, copper, brass, nickel, aluminum, or other metal, finished or unfinished, 45 per cent ad valorem; dental instruments and parts thereof composed wholly or in part of iron, steel, copper, brass, nickel, aluminum, or other metal, finished or unfinished, 35 per cent ad valorem.

Mr. JONES of New Mexico. Mr. President, I have heard no explanation for this amendment. It is apparent that the amendment proposes a very great reduction of the duties first reported to the Senate by the committee; but it seems to me that this proposal perhaps necessitates or would warrant an explanation, whereas the other proposal might not.

I can understand upon some theory how the first proposal could have been made. This is the first time in a tariff bill, I believe, that steel surgical instruments have been put into a special paragraph. They have usually fallen into the basket clause of the schedule. If I understand the situation correctly, prior to the war we were not producing steel surgical instruments in this country to any very great extent, the reason being that those instruments were produced by the use of a very large percentage of hand and skilled labor.

We were importing practically all of our steel surgical instruments. We did have a special tariff duty upon instruments produced from the precious metals, gold and silver and platinum. We likewise had a small duty upon instruments made from what are called the soft metals; but the last proposal of the committee is considerably higher than the present law—in fact, it is about 100 per cent higher than the present law—so far as steel and soft-metal instruments are concerned. There is at the present time a considerable duty upon instruments made of the precious metals—50 per cent, I believe.

During the war we began the production of steel surgical instruments in this country, and for war purposes were able to produce very large quantities; but it is not contended, I believe, that any small duty, or a duty reaching even to the point which the committee now proposes, will enable the manufacturers of the United States to continue the production of steel surgical instruments. I know that the witnesses who appeared before the Finance Committee insisted upon very much higher duties, and it was their contention that they would require very high duties in order to continue this industry. Now, the Finance Committee has modified its high duties by proposing this reduction, and it seems to me that it is not high enough to permit the industry of manufacturing these steel surgical instruments to continue. Therefore the only result which can be expected from the duties which the committee now proposes is to place a higher bounty upon the production of surgical instruments produced from what are called the softer metals.

There is no evidence that an additional duty upon such surgical instruments is necessary. I think we are entitled to receive from the committee some explanation as to why the reduction should be made in the first instance; and, in the second place, if the duty is to be reduced upon steel surgical instruments, why it was not reduced considerably below what it is. I think from all that can be learned from the evidence, this is not sufficient to protect the steel surgical instrument industry, and it is more than necessary, so far as the other surgical instruments are concerned.

Mr. McCUMBER. Mr. President, the Senator is entitled to that information, and I will give it in a form as nearly accurate as I possibly can.

Let us take the average of 27 items of the Reynolds report on surgical instruments. The average foreign value of these instruments was $9.70 each. The landing charges averaged 58 cents. If we levied a duty of 45 per cent upon the $9.70, that would equal $4.70, and these items added together amount to $14.65. The selling price of the comparable domestic article is $23.55. The difference between the landed cost of the product, duty paid at 40 per cent, which would amount to $14.65, and the comparable American article selling at $23.55, would be, after the duty has been paid, $8.90.

But in the surgical-instrument business, unlike any ordinary business, the articles not being standardized, there is a great deal of risk in their importation, in their manufacture, and in their sale, and the profit accorded to the importer, because of that fact, has been very much greater than in other lines of industry. A profit as high as 66⅔ per cent upon the imported price, or 40 per cent upon the selling price, is usual in the sale of the imported article.

If we allow 60 per cent upon the imported article, it will just equal the difference between the price of the foreign product,

as shown by the Reynolds report, and the selling price of the American product. However, we have agreed upon a rate of 45 per cent, which is, of course, 15 per cent less than the amount which would be necessary to measure the present difference, allowing a 60 per cent profit to be made upon the imported goods.

Mr. JONES of New Mexico. Of course, the committee had before it the Reynolds report when its first proposal was made. May I ask what caused the reduction in the proposal of the committee?

Mr. McCUMBER. The report, in the first instance, was made some time ago; and leaving the House differentials, "valued at not more than $5 per dozen, 60 cents per dozen; valued at more than $5 per dozen, 12 cents per dozen for each $1 per dozen of such value; and in addition thereto, on all of the foregoing, 60 per cent ad valorem," it will, in the opinion of the committee, with the probabilities of higher costs in Germany and a reduction in the costs in the United States, be sufficient at the present time to properly guard the production in the United States.

Mr. JONES of New Mexico. Mr. President, the other evening, when we were discussing the other portions of the cutlery schedule, both the Senator from North Dakota [Mr. McCUMBER] and the Senator from Connecticut [Mr. McLEAN] presented table after table for the purpose of showing that German prices are decreasing, and thereby undertook to account for the very high duties which they imposed upon other branches of cutlery. Now, with respect to another item, which is produced principally in Germany, they produce statements from the Reynolds report and complacently tell us that, taking into consideration the Reynolds report and the supposition that prices in Germany are going to be higher, they propose this reduction in rates.

It does seem to me that an inconsistency has developed here which should cause one who has been trying to follow this discussion to doubt that the committee had any basis or reason for these rates which are being presented. With regard to one paragraph, one view is taken regarding the German situation; with regard to the very next paragraph a different view is taken and stated in all solemnity as a basis for action by the Senate.

Again I must express my amazement. I can not help feeling that there are other forces at work which are bringing about these reductions in rates, and I am inclined to agree that these discussions may have had some influence upon them. I, of course, feel that as to this paragraph regarding surgical instruments, where there are different kinds of surgical instruments involved, those made of the soft metal, as well as those of steel, there should be some discrimination so far as the instruments made of softer metals, which are made in quantity, are concerned.

As I understand it, that industry has been prospering under existing law, in which there is a duty of only 20 per cent provided, and as to the steel instruments, we have not been producing them in this country, and if what the witnesses have said upon the subject is true, this 45 per cent duty will not enable them to produce these instruments. So, as I remarked a moment ago, the only effect of increasing the duty under this paragraph from 20 per cent to 45 per cent will be simply to enable the manufacturers of the soft-metal instruments to charge higher prices. As to the steel instruments, if the testimony be true, the rate will not amount to protection for them.

Of course, I am glad, in a way, that the Finance Committee has proposed this reduction, but in another way I think it is indefensible. It is not enough to protect or keep going the steel surgical instrument industry of the country. It is too much duty upon the soft-metal surgical instrument industry.

Mr. POINDEXTER. Mr. President, will the Senator yield to me long enough to make a request for an agreement?

Mr. JONES of New Mexico. Certainly.

NAVAL APPROPRIATIONS.

Mr. POINDEXTER. I ask unanimous consent, with the approval of the chairman of the Committee on Finance especially, that when the Senate convenes on Thursday morning next the tariff bill shall be temporarily laid aside and that the Senate shall proceed to the consideration of House bill 11228, the Naval appropriation bill.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. JONES of New Mexico. Mr. President, it does seem to me that the rate adopted by the House is high enough, and under the circumstances I do not believe it is going to amount to protection to the steel surgical instrument industry, and it was not proposed with that idea. It was proposed on an entirely different basis. The House ad valorem duty fixed upon these instruments was 35 per cent. The Senate committee proposes 45 per cent, and as far as any good that can come from this duty is concerned it seems to me 35 per cent will be just as much protection as the 45 per cent, and of course this bill is being framed upon the protection idea, and I am not making war upon that general purpose of the bill. I shall therefore simply vote against the committee amendment.

Mr. McCUMBER. Mr. President, I want the RECORD to show the facts with relation to the changes in the value of these products. The Senator has stated that we adopted one system when we had the paragraph pertaining to knives and cutlery before us, and that we adopted a different method when we were considering the particular subject under consideration now. The Senator is in error in that.

The Senator said that we claimed that knives and cutlery had gone down, and yet when we made our estimates of what would be a proper protection in this bill we took the Reynolds report, when, as a matter of fact, the prices had also gone down. This is the fact in reference to both these paragraphs: The prices of cutlery, including knives, went down very considerably, up to about the 1st day of April.

So in surgical instruments there was a considerable decrease in the importing price about the 1st of April. If we had made our tariff bill to meet a condition as it appeared upon the 1st day of April, the bill as first amended by the committee would have been approximately right. The rate would have been somewhat less than the true facts would warrant. However, we have always made allowances. As to both knives and surgical instruments, the prices have again gone up until, as I am informed, surgical instruments are practically the same now as they were when the Reynolds report was written. Therefore, as the importing price more nearly approaches the American selling price, we can reduce the differential, and that is exactly what we have done in this instance.

Mr. JONES of New Mexico. Mr. President——

Mr. McCUMBER. I yield.

Mr. JONES of New Mexico. The Senator stated a few moments ago that the prices were going up.

Mr. McCUMBER. Yes; going up since April.

Mr. JONES of New Mexico. The Senator has just stated that the changes were made because of recent changes in German conditions. If that be true, and prices are going up, and the going up of prices warranted a reduction in these duties, does not the Senator think we had better defer the consideration of this paragraph and let prices go up a little further and become a little more stable and then write the paragraph?

Mr. McCUMBER. No; I do not, because I do not think the importing cost or the importing selling price will ever go up to meet the American cost and the American selling price. I am willing to make, and I have made, full allowance for possibilities and probabilities in the change of the prices of commodities. Of course, we can not change our tariff every time the price of a commodity changes.

Mr. JONES of New Mexico. Mr. President, I desire a separate vote upon the next paragraph, and if the amendment of the committee may be divided I am ready for a vote on the first part of the amendment.

Mr. McCUMBER. I am satisfied that the amendment shall be divided.

The VICE PRESIDENT. The Secretary will state the first part of the amendment.

The READING CLERK. On page 76, the committee proposes to insert:

PAR. 359. Surgical instruments and parts thereof composed wholly or in part of iron, steel, copper, brass, nickel, aluminum, or other metal, finished or unfinished, 45 per cent ad valorem.

Mr. JONES of New Mexico. I ask that that be submitted to a vote first. I move in the amendment of the committee to strike out the numerals "45" and insert "35."

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from New Mexico to the amendment of the committee.

The amendment to the amendment was rejected.

The amendment was agreed to.

The VICE PRESIDENT. The Secretary will report the next portion of the amendment.

The READING CLERK. Insert following the amendment just agreed to:

Dental instruments, and parts thereof, composed wholly or in part of iron, steel, copper, brass, nickel, aluminum, or other metal, finished or unfinished, 35 per cent ad valorem.

Mr. JONES of New Mexico. As to that part of the committee's proposal I want to say just a few words. The United States is manufacturing dental instruments and supplying them to every part of the world. They are made in quantity according to design, and 35 per cent of the dental instruments made in the United States are exported. That was the history of the industry prior to the war. Thirty-five per cent of all the dental instruments manufactured in this country prior to the war were exported. The Tariff Commission tells us all these facts. That information is known. Importations are nominal. It is a matter of quantity production, machine production, and we compete with the world.

This part of the paragraph, it seems to me, justifies the heading of an editorial in the New York Times of yesterday which reads, "Protection gone mad." Without reading, I ask that the editorial may be published in the RECORD in 8-point type.

Mr. CURTIS. Is not that the matter which was printed in the RECORD this morning at the request of the junior Senator from Mississippi [Mr. HARRISON]?

Mr. JONES of New Mexico. If it was, of course, I will not ask to have it repeated in the RECORD; but if not, then I ask that it be printed in the RECORD at this point. I am just advised that the Senator from Mississippi asked that another article from the New York Times of yesterday be printed in the RECORD.

Mr. CURTIS. There is no objection if it has not already been ordered to be printed in the RECORD.

The VICE PRESIDENT. Without objection it is so ordered.

The editorial referred to is as follows:

[From the New York Times, Sunday, June 11, 1922.]

PROTECTION GONE MAD.

"The Senate Finance Committee has repeatedly expressed its astonishment, in the course of the debates on the tariff bill, that anybody should object to it. Had it not been framed in the established way? The committee had merely followed the practice of its predecessors. Nobody was excessively outraged at the way in which the rates were fixed under the McKinley bill, the Dingley bill, or the Payne-Aldrich bill. Why, then, all the criticism and outcry to-day just because the Republican members of the Finance Committee have had secret hearings with manufacturers and other interested persons, and on the basis of finding out what tariff duties were wanted have decided what should be given? Again and again Senator SMOOT and Senator MCCUMBER have plaintively reproached the Democrats and the dissident Republican Senators for finding fault with the method adopted for writing the new tariff. It was simply the ancient style, so why all this modern protest?

"These Senators are but dimly aware of the great change which has come over public sentiment in the matter of the protective tariff. What once was regarded as a matter of course is now held to be an intolerable abuse. This has certainly been one of the striking results of the prolonged discussion of the new tariff. Think what we may of the time-wasting tactics of the Democratic Senators, their continual hammering at objectionable clauses of the bill has had the effect of bringing out in the deep-seated opposition, not only in the Senate but in the press of the country, to a measure which people would have once passed by with a shrug as merely the usual thing in tariffs, but which they now consider as a manifestly vicious system of law making. The pained surprise of some Republican Senators is proof enough that they are moving about to-day in a world which they do not realize.

"Another significant feature of the Senate debate and of the amendments proposed to the tariff bill is the way in which protective doctrines of an older day are tortured out of all resemblance to their original form. Last week, for example, Senator SHORTRIDGE, of California, took the innocent view that adequate protection to American manufacturers meant entire exclusion of foreign goods that might possibly compete with their products. He frankly admitted that as regards many articles of commerce 'I am in favor of an embargo.' It worked well in the war, he remarked, and why shouldn't it be an excellent thing in time of peace? American manufacturers, he argued, are entitled to the whole American market, and the simple way to assure this is to make the tariff rates so high that foreigners could not break in at all. Senator SHORTRIDGE would never consent to surrender any part of the American market to any foreign country. He would so shape the tariff as to guarantee immunity from foreign competition to 'each and every and all American industries.'

"This extraordinary view of the real intent of a protective tariff was too much for Senator LENROOT, of Wisconsin. He rose to protest that it was 'entirely a new doctrine in the Republican Party.' Proceeding, Mr. LENROOT said:

"I have never before heard it claimed that the American manufacturers are entitled to a monopoly of the American market. The Republican theory has always been, and it is mine now, that the American manufacturer was entitled to protection, so as to give him a fair chance and a fair opportunity to compete in the American market, and that he shall not be discriminated against by undue competition from abroad. But in equalizing the conditions it has never been the theory of the Republican Party that they should enact prohibitive rates and embargoes upon the matters of common production in the country.

"This did not in the least satisfy Senator SHORTRIDGE. The particular clause under discussion being the duty on saws, he asked the Senator from Wisconsin if it was desirable to increase their importation. Mr. LENROOT promptly answered that it was. He said that 'when we are exporting $4,000,000 worth of saws a year and importing only $78,000 worth' he thought there could be no danger in allowing somewhat larger imports to come in. But the California Senator insisted upon knowing why such a thing ought to be desired. Senator LENROOT was explicit in his answer:

"I will tell the Senator why we ought to desire it. To-day the commodities of the farmers of this country are down to pre-war prices, but as to everything the farmers have to buy, including saws, if you please, to-day they are compelled to pay prices very much higher than the pre-war prices. We can not expect permanent prosperity in this country until there shall be a level secured between what the agriculturist receives for his products and what he pays for what he must buy, and we are not going to reach that level if by prohibitive rates we protect present high prices of the manufacturers.

"No debate can be called wholly futile which has served to bring out such a sharp issue between the old protectionists and the new. It would seem that protection to-day is in danger of being devoured by its own children. No wonder that Mr. LENROOT and other alarmed Republican Senators from the Middle West cry out in protest."

Mr. MCCUMBER. I will put in the RECORD just one item from the Reynolds report on dental instruments. The unit of quantity in this instance is per gross. The foreign value is $1.49 per gross, landing charge 80 cents, selling price of the imported article $3.30. The selling price of the comparable American article is $3.84 per gross. The rate required to equalize, allowing a reasonable profit to the importer—and in this instance we allow 33⅓ per cent profit—would require 88 per cent. The amount that we have allowed, however, is 35 per cent ad valorem.

Mr. JONES of New Mexico. Mr. President, I do not care to detain the Senate. I will simply ask that there be printed in the RECORD, in 8-point type, as a part of my remarks, the comments of the Tariff Commission on dental instruments and appliances. It is less than two pages in length.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

DENTAL INSTRUMENTS AND APPLIANCES.

GENERAL INFORMATION.

"Description: Dentistry and dental surgery have been developed in the United States to a high degree of perfection, and domestic work is recognized as the equal if not the superior of that in any other country. Dental instruments are composed of steel almost exclusively, and consist of a large number of standard tools. There is some call for instruments of special design, but the demand can not be compared to that found in the surgical instrument field.

"General supplies required by the profession consist of artificial teeth, plate frames, gold wire, and special fixtures.

"Every practicing dentist requires, in addition to his tools, an extensive assortment of appliances, such as operating chairs, spittum pans, sterilizers, power drills, anesthetic administering devices, and other articles designed specially for the dental trade and not used in the surgical profession to any extent.

"Domestic production: The dental appliance, instrument, and supply industry produces sufficient material to supply the home market and exports large quantities of the products to all the world's markets. Domestic manufacturers are at no disadvantage in obtaining their raw material and are not affected by the cost of labor to the extent experienced by the manufacturer of surgical instruments, because dental instruments are more nearly standard and can therefore be manufactured in quantity. The export business is a considerable proportion of the entire production, the National Dental Association estimating that over 35 per cent of the domestic production is for foreign consumption.

"Prior to the war English teeth manufacturers were able to market a small amount of their product in the Unied States. Domestic manufacturers produce this product in large quantities (one firm exporting over 20,000,000), but the profession claims that the domestic product is not as satisfactory as the English article for some purposes.

"Dental instrument and appliance exports are not classified separately in the customs statistics. Information obtained by the commission justifies the assumption that practically all of the material classified in the customs statistics as medical and surgical instruments are in reality material used exclusively by the dental profession. These exports amounted to over

$1,100,000 in 1913 and to almost $10,800,000 in 1919. This is exclusive of artificial teeth, amounting to about $300,000.

"Foreign production: Considerable quantities of dental instruments, supplies, and appliances are manufactured in England, France, Germany, and Japan. The dental profession has not been developed in those countries to the same degree as in the United States, however, so foreign manufacturers are without the large home market possessed by manufacturers in the United States.

"A large part of the international business carried on by foreign concerns is in the hands of one English company. The New York representative of this company asserts that during the last 35 years his company has exported dental goods, mainly teeth, valued at $1,500,000, to the United States, and during the same period has exported to England domestic goods to the value of $25,000,000. During 1920 domestic exports of artificial teeth amounted to $300,000 as compared to imports of $20,000.

"Tariff history: Dental instruments have never been specifically provided for in the tariff and have entered as miscellaneous manufactures of metal. (See Tariff History of Surgical Instruments.) Teeth are classified as porcelain or earthy mineral substance manufactures.

"Competitive conditions: Dental instruments and appliances of foreign origin do not compete to any extent with the domestic product except in the case of specialties such as teeth. Tooth manufacture is a ceramic process and domestic consumers claim that the foreign product is superior to the domestic for some purposes. The continued importations of this product tend to substantiate this claim.

"Tariff considerations: Dental-instrument manufacturers are in a good position to compete with the foreign product. Surgical-instrument manufacturers, on the other hand, must produce a large number of different styles of each class of instrument, so can not place production of any one product on a quantity basis. Domestic manufacturers export dental instruments, whereas surgical instruments are imported in large quantities. These facts justify mention of dental instruments as distinct from those used exclusively in surgical work."

Mr. JONES of New Mexico. In the proposed amendment of the Finance Committee I move to reduce the rate from 35 per cent to 20 per cent; in other words, to strike out the numerals "35" and insert "20."

The VICE PRESIDENT. The question is on the amendment of the Senator from New Mexico to the amendment of the committee.

The amendment to the amendment was rejected.

The amendment of the committee was agreed to.

Mr. McCUMBER. Mr. President, I should like to go on, if we can, and dispose of paragraph 360, philosophical, scientific, and laboratory instruments.

Mr. KING. May I say to the Senator from North Dakota that the Senator from South Dakota [Mr. STERLING] desires to be here when that paragraph is taken up.

The VICE PRESIDENT. The Chair directs the attention of the Senator from North Dakota to the fact that paragraph 359 is not yet fully disposed of.

Mr. McCUMBER. Very well, let us finish that.

The VICE PRESIDENT. The next amendment will be stated.

The READING CLERK. In paragraph 359, page 76, line 23, after the word "maker," insert the words "or purchaser."

The amendment was agreed to.

The READING CLERK. On the same page, line 24, before the word "country," insert the words "name of the."

The amendment was agreed to.

The READING CLERK. In the same line, line 24, page 76, strike out "die-sunk" and insert "die sunk."

The amendment was agreed to.

The VICE PRESIDENT. That completes paragraph 359.

Mr. McCUMBER. I desire to state to the Senator from Utah that I saw the Senator from South Dakota, and he stated at the time that he would like to have paragraph 360 go over until later, but afterwards he sent word that he did not request it to go over.

Mr. KING. To what paragraph is the Senator referring?

Mr. McCUMBER. Paragraph 360, philosophical, scientific, and laboratory instruments.

Mr. JONES of New Mexico. Regarding that paragraph I have received a number of communications from educational institutions and from others insisting that these articles should be made free so far as those institutions are concerned. I suppose the majority of the Finance Committee have duly considered that question and decided against them. May I inquire of the Senator from North Dakota if that is true?

Mr. McCUMBER. Yes; the matter was under consideration.

Mr. JONES of New Mexico. I suppose it would answer no good purpose to discuss the matter. May I inquire why surveying instruments and parts thereof were put into this paragraph as new matter?

Mr. McCUMBER. Because they were taken out of another paragraph, paragraph 228.

Mr. JONES of New Mexico. I do not recall just now what rate of duty they bore under the other paragraph.

Mr. McCUMBER. The same, 55 per cent.

Mr. JONES of New Mexico. I was under the impression that the duty under the present law was either much lower or that they were on the free list. I was not certain about that.

Mr. McCUMBER. Under the present law the rate is much lower, 25 per cent, I am informed.

Mr. JONES of New Mexico. They were in the basket clause, were they not, at 25 per cent?

Mr. McCUMBER. I think so; but it was thought, these being scientific instruments, that they ought to be in this clause. I am informed that under the present law they bear a rate of 25 per cent ad valorem.

Mr. JONES of New Mexico. Mr. President, it does seem to me that we ought not to impose such high duties as these on instruments necessary in the education of the youth of the land and in research work. Surveying instruments must be used by those engaged in surveying work, of course. To tax in this amount the very tools which they use is highly improper, in my opinion. Surveying instruments are expensive anyway, and to put on this additional duty and make it 55 per cent ad valorem on philosophical and scientific and laboratory instruments and apparatus, utensils, appliances, including drawing and mathematical instruments, and not to allow any special privilege to the educational institutions of the country, it seems to me is protection gone mad, as the editorial in the New York Times stated.

Mr. DIAL. Mr. President——

Mr. JONES of New Mexico. I yield.

Mr. DIAL. I will say to the Senator that I have received more protests against this paragraph than possibly any other item in the bill.

Mr. JONES of New Mexico. I am sure that is the experience of practically every Senator. Protests have been coming in from the four corners of the United States, and I am surprised if there is any Senator here who has not received some protest regarding this paragraph.

Mr. McCUMBER. The only question is as to whether or not we should yield to these protests and turn the production over entirely to the foreign manufacturers. I myself do not think we should do so. The American colleges and laboratories are supported by the American people, and I really think they can pay for American-made instruments.

Mr. KING. Will the Senator from New Mexico yield to me?

Mr. JONES of New Mexico. I gladly yield to the Senator from Utah.

Mr. KING. I discover that in 1918 the importations of these instruments were only $51,972 worth; in 1919 they were $71,453 worth; in 1920 they were $151,334 worth. Of the platinum vases, retorts, and a few other articles referred to, there were $78,697 worth imported in 1920; and the entire amount of imports covered by this paragraph was approximately $148,000.

In addition to that, if I may say so to my friend from New Mexico, we exported of "scientific instruments, other than those used for medical, surgical, and optical purposes," in 1914, $689,366 worth; in other words, our exports were very much more than four or five times as much as our imports. It is stated in the Tariff Summary that—

> In general those instruments which before the war had a sufficiently large market to permit large-scale production were produced here successfully.

This document further says:

> During the war, however, foreign competition was removed and domestice production expanded in volume and variety.

In 1914—that is, before the war, the fiscal year ending June 30, 1914—the imports were $704,496. The imports shrunk, as the Senator will see from the figures which I have stated, so that for the nine months of 1921 they were approximately $148,000, while the exports have gone up into the hundreds of thousands of dollars. We can compete with almost any country in the world, so many of these instruments being manufactured from the primary products in which the United States is so rich.

It seems to me that this is one of the indefensible rates of duty which are imposed in this bill. As has been repeatedly stated, it is proposed in this bill to tax everything from the cradle to the grave. I do not so much object to taxing the graveyards and the tombstones and the coffins, but I do object

to taxing the instruments of learning and of knowledge. Our Republican friends in their omnium gatherum zeal to tax everything, go into the schoolrooms, the schoolhouses, the colleges, and the laboratories and lay their strong and oppressive hands upon those commodities. I protest against it.

Mr. JONES of New Mexico. Mr. President, I can understand the indignation of the Senator from Utah. A few moments ago while discussing the subject of dental instruments I read from the report of the Tariff Commission to the effect that we were exporting 35 per cent of the total domestic production, and that the importations prior to the war amounted to nothing. I have been doing that time and again in the consideration of the paragraphs of this bill; the Senator from Utah has been doing that; but, apparently, it has no effect. Protection has gone mad.

I quite agree that these instruments ought not to have the taxes imposed upon them so exorbitantly increased; I thought the same about dental instruments; but, apparently, whatever data are given here have no effect. The Republicans are determined to increase these duties. Apparently there is a determination on their part that there shall not remain anything untaxed or bearing a tax less than considerably higher than existing law. On dental instruments the duty is increased nearly 100 per cent at a time when we are exporting 35 per cent of the domestic production.

The only reason given for this proposed action is, as we are gravely told, that away back last August, at some time, some of these instruments came in here at a price under that which was being charged by the American manufacturer. Senators on the other side, however, do not tell us the profit the American manufacturer was making; they do not tell us the profits he is making now on scientific instruments, including surveyor's instruments. I do not wonder at the indignation of the Senator from Utah when it is proposed to increase these duties so enormously upon the learning, the research, and the intelligence of the country; but it has no effect. I am myself inclined to quit referring to these facts; but I hope the Senator from Utah will continue in his persistency to present them whenever they are not presented by some other Senator.

Mr. McCUMBER. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator from North Dakota.

Mr. McCUMBER. I notice in the Reynolds report that there are three items coming under this head. None of them, however, covers surveying instruments; but on one line it would require 37 per cent ad valorem to equalize foreign and domestic production; and on the other line it would require 58 per cent to do so. I notice that the committee has given 55 per cent. If the Senator from New Mexico will allow me, I will move to reduce that 55 per cent to 35 per cent, which is 10 per cent above that granted on some of the instruments by the existing law.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from North Dakota to the amendment of the committee.

Mr. McCUMBER. I shall have to add, however, Mr. President, that my making the motion is conditioned on whether or not I can get a vote on the amendment now.

Mr. KING. Mr. President, just one word and then the Senator can have a vote, although I think we shall move to make the rate 25 instead of 35.

The Senator often refers to the Reynolds report, and I make no complaint of that; but the Reynolds report ought not to be accepted as the basis for any rate. The Senator from North Dakota knows, for he is an intelligent man and he is industrious—no man in the Senate is working harder than the distinguished Senator from North Dakota——

Mr. McCUMBER. I have not used the Reynolds report except in those instances in which I thought it really measured the difference.

Mr. KING. I have no doubt the Senator is entirely sincere in his viewpoint in this matter, but I was about to say that there has been a change, as the Senator knows, in conditions since last August. The Senator knows that in Germany wages have gone up.

Mr. McCUMBER. If the Senator will allow me, we went over that argument just a few moments ago when the Senator was out of the Chamber. I said then that I agreed with the Senator from New Mexico that, while prices had gone down very materially—I mean import prices—from the date of the Reynolds report up to April 1, nearly all of those prices, we now find, have an upward tendency, and have in many instances nearly reached the same levels that prevailed at the date of the Reynolds report. That is true quite generally.

Mr. KING. Does the Senator mean the domestic prices or the German prices?

Mr. McCUMBER. I mean the foreign prices have gone up again; so that while there was a very great spread between the foreign importing price and the domestic price on April 1, a very much greater spread than there was at the time of the Reynolds report, the foreign price has gone up again and has narrowed that spread to a considerable extent. I am making full allowance, I think, for that, and I have moved to reduce the rate in this instance from 55 to 35 per cent ad valorem.

Mr. KING. If my friend will pardon me, the error—and I say it in all kindness—which I think he makes and which other Republican Senators make lies in the fact that they are seeking to base a tariff bill for the future, for the period when it is presumed we will reach the normal conditions, upon conditions that exist now or have existed in the past; in other words, we ascertain what the war prices were or the abnormally high prices of yesterday and the day before or last August, and we presume a continuity of those high levels, and seek to perpetuate into peace time and into normal conditions those high prices. It is sought to give to the manufacturers in the future the prices which they are getting now and the profits in the future which they are getting now. This kind of a tariff bill is calculated to maintain present high prices and to prevent a return to normal and rational conditions.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from North Dakota to the amendment proposed by the committee.

The amendment to the amendment was agreed to.

Mr. McCUMBER. I understand that my motion to decrease the rate on certain instruments referred to from 55 to 35 per cent has been carried?

The VICE PRESIDENT. The amendment has been carried.

Mr. McCUMBER. But the amendment as amended has not been agreed to?

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee as amended.

The amendment as amended was agreed to.

The VICE PRESIDENT. The Secretary will state the amendment in line 5.

The READING CLERK. On page 77, at the beginning of line 5, it is proposed to strike out "surveying," so as to read:

Par. 360. Philosophical, scientific, and laboratory instruments, apparatus, utensils, appliances (including drawing and mathematical instruments).

The amendment was agreed to.

The next amendment was, on the same page, line 11, after the word "maker," to insert "or purchaser"; and, in line 12, after the word "origin," to strike out "die-sunk" and insert "die sunk," so as to make the proviso read:

Provided, That all articles specified in this paragraph, when imported, shall have the name of the maker or purchaser and beneath the same the name of the country of origin die sunk conspicuously and indelibly on the outside, or if a jointed instrument on the outside when closed.

The amendment was agreed to.

ORDER FOR RECESS.

Mr. McCUMBER. I ask unanimous consent that when the Senate concludes its business on this calendar day, it shall take a recess until to-morrow at 11 o'clock.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE SESSION.

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 5 minutes spent in executive session the doors were reopened; and (at 6 o'clock and 30 minutes p. m.) the Senate, under the order previously entered, took a recess until to-morrow, Tuesday, June 13, 1922, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate June 12 (legislative day of April 20), 1922.

DIRECTOR OF THE WAR FINANCE CORPORATION.

Fred Starek, of the District of Columbia, to be a director of the War Finance Corporation, vice Angus W. McLean, term expired.

MEMBERS OF THE UNITED STATES SHIPPING BOARD.

Meyer Lissner, of California, for a term of six years. (Reappointment.)

Admiral William S. Benson, of Georgia, for a term of six years. (Reappointment.)

JUDGE OF THE DISTRICT OF COLUMBIA MUNICIPAL COURT.

Robert H. Terrell, of the District of Columbia, to be a judge of the municipal court, District of Columbia. A reappointment, his term having expired.

PROMOTION IN THE REGULAR ARMY.

To be major.

Capt. Emile George De Coen, Field Artillery, from June 1, 1922.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY.

QUARTERMASTER CORPS.

Capt. Robert John Wagoner, Infantry, with rank from July 1, 1920.

Capt. Frank Watts Arnold, Cavalry, with rank from July 1, 1920.

POSTMASTERS.

ALABAMA.

Thomas H. Stephens to be postmaster at Gadsden, Ala., in place of S. W. Riddle. Incumbent's commission expired January 24, 1922.

ALASKA.

Elizabeth D. De Armand to be postmaster at Sitka, Alaska, in place of Joe McNulty, resigned.

COLORADO.

Ethel Shy to be postmaster at Cheyenne Wells, Colo., in place of Vivian Sadler, resigned.

ILLINOIS.

John B. Porter to be postmaster at Olney, Ill., in place of B. A. Iaun, resigned.

Nelle L. Hyland to be postmaster at Windsor, Ill., in place of B. F. Moberly, resigned.

INDIANA.

Ernest W. Shaw to be postmaster at Gaston, Ind. Office became presidential October 1, 1919.

Fred S. Huffman to be postmaster at Lapel, Ind. Office became presidential January 1, 1921.

Ralph S. Ward to be postmaster at Knightstown, Ind., in place of C. E. Clark, resigned.

LOUISIANA.

Novilla T. King to be postmaster at Simsboro, La. Office became presidential January 1, 1921.

MICHIGAN.

Ernest E. Hawes to be postmaster at Applegate, Mich. Office became presidential April 1, 1921.

MISSISSIPPI.

Aurora L. Howze to be postmaster at Logtown, Miss., in place of W. X. Casanova, declined.

Thomas H. Nicholson to be postmaster at Scooba, Miss., in place of Guy Jack, resigned.

MISSOURI.

Clarence D. Springer to be postmaster at Richards, Mo. Office became presidential October 1, 1921.

Julius J. Boehmer to be postmaster at Lincoln, Mo., in place of W. A. Grant. Incumbent's commission expired January 24, 1922.

NEW MEXICO.

Lorna J. Cayot to be postmaster at Springer, N. Mex., in place of V. K. Reynolds. Incumbent's commission expired January 24, 1922.

NEW YORK.

Grace O. Meloy to be postmaster at East Durham, N. Y. Office became presidential April 1, 1921.

Rosella M. Palmeter to be postmaster at Purling, N. Y. Office became presidential January 1, 1922.

NORTH DAKOTA.

Lena L. Diehl to be postmaster at Dunn Center, N. Dak., in place of L. L. Diehl. Incumbent's commission expired May 20, 1922.

OHIO.

Walter R. Britton to be postmaster at Kimbolton, Ohio. Office became presidential April 1, 1921.

John W. Switzer to be postmaster at Ohio City, Ohio, in place of D. H. Heiby, resigned.

OKLAHOMA.

William G. Blanchard to be postmaster at Purcell, Okla., in place of William Barrowman, resigned.

OREGON.

Etta M. Davidson to be postmaster at Oswego, Oreg. Office became presidential July 1, 1920.

Wallace W. Smead to be postmaster at Heppner, Oreg., in place of W. A. Richardson. Incumbent's commission expired January 24, 1922.

PENNSYLVANIA.

Charles E. Keim to be postmaster at Hellam, Pa. Office became presidential July 1, 1921.

Edward F. Anderson to be postmaster at Austin, Pa., in place of C. W. Freeman. Incumbent's commission expired February 4, 1922.

George H. Cole to be postmaster at Evans City, Pa., in place of Andrew Wahl. Incumbent's commission expired February 5, 1922.

Arch R. Lykens to be postmaster at Martinsburg, Pa., in place of J. H. Kensinger. Incumbent's commission expired February 4, 1922.

James T. Patterson to be postmaster at Williamsburg, Pa., in place of J. R. Detwiler. Incumbent's commission expired February 4, 1922.

W. Stans Hill to be postmaster at Williamsport, Pa., in place of Hugh Gilmore. Incumbent's commission expired February 4, 1922.

SOUTH CAROLINA.

Ida A. Calhoun to be postmaster at Clemson College, S. C., in place of I. A. Calhoun. Incumbent's commission expired January 24, 1922.

TENNESSEE.

Matthew D. Duke to be postmaster at Martin, Tenn., in place of C. B. Bowden. Incumbent's commission expired July 25, 1921.

VIRGINIA.

Thomas C. Bunting to be postmaster at Exmore, Va., in place of R. T. Gladstone. Incumbent's commission expired May 22, 1922.

James L. Earles to be postmaster at Willis, Va., in place of J. H. Conduff, removed.

WEST VIRGINIA.

Millard F. Forgey to be postmaster at Kingston, W. Va. Office became presidential January 1, 1921.

WISCONSIN.

Lloyd A. Hendrickson to be postmaster at Blanchardville, Wis., in place of A. K. Blanchard. Incumbent's commission expired January 24, 1922.

WYOMING.

Mayme L. Jackson to be postmaster at Osage, Wyo., in place of E. V. Pointer, resigned.

CONFIRMATIONS.

Executive nominations confirmed by the Senate June 12 (legislative day of April 20), 1922.

DIRECTOR OF THE WAR FINANCE CORPORATION.

Fred Starek to be Director of the War Finance Corporation.

PROMOTIONS IN THE ARMY.

Samson Lane Faison to be brigadier general.

Henry Stevens Blesse to be captain, Medical Corps.

Alberto Garcia de Quevedo to be captain, Medical Corps.

Albert Kingsbury Mathews to be chaplain, with rank of captain.

Milton Humes Patton to be captain, Cavalry.

Frederick Brenton Porter to be first lieutenant, Field Artillery.

Clark Hazen Mitchell to be first lieutenant, Field Artillery.

Thomas Francis Hickey to be first lieutenant, Field Artillery.

Allen Ferdinand Grum to be first lieutenant, Ordnance Department.

Haskell Allison to be captain, Signal Corps.

John Kenneth Cannon to be first lieutenant, Air Service.

PROMOTIONS IN THE NAVY.

To be ensigns.

Chauncey Moore.
Edwin E. Woods.
Robert McC. Peacher.
Halstead S. Covington.
Henry E. Eccles.

MARINE CORPS.

James Austin Stuart to be second lieutenant.

POSTMASTERS.

LOUISIANA.

John F. Basty, Destrehan.
David S. Leach, Florien.
Marion H. Page, Fullerton.
Claud Jones, Longleaf.
Weston W. Muse, Lottie.
Edward J. Sowar, Norwood.
Cherie Cazes, Port Allen.
Edwin H. Biggs, St. Joseph.
Nelle Masten, Woodworth.

NEW YORK.

Albert C. Stanton, Atlanta.

NORTH CAROLINA.

Ira L. McGill, Lumberton.

OKLAHOMA.

George F. Cutshall, Cement.

SOUTH CAROLINA.

William B. Aull, Walhalla.

TEXAS.

James H. Loyd, Alba.
William A. White, Cleveland.
Mayo McBride, Woodville.

WASHINGTON.

Lillian M. Tyler, Brewster.
Matthew E. Morgan, Lind.

WITHDRAWAL.

Executive nomination withdrawn from the Senate June 12 (legislative day of April 20), 1922.

POSTMASTER.

James E. Pickett to be postmaster at Clemson College in the State of South Carolina.

HOUSE OF REPRESENTATIVES.

MONDAY, *June 12, 1922.*

The House met at 12 o'clock noon, and was called to order by Mr. WALSH as Speaker pro tempore.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Blessed Father in heaven, we thank Thee for material progress, for intellectual achievement, and for social gain. Grant that these good fortunes may be used for Thy glory and for the good of man. In all good work may we be patient and enduring. Enable us to carry Thy spirit into all our labors and thus serve Thee in whatever worthy thing we do. O may we live by our deeds and not by the years. Hush all anxiety and all care that fret away happiness and contentment and we will give Thee the praise. Amen.

The Journal of the proceedings of Saturday, June 10, 1922, was read and approved.

EXTENSION OF REMARKS.

Mr. ELLIOTT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing therein an address delivered by Senator JAMES E. WATSON, of Indiana, before the Republican State convention of Indiana a few days ago.

The SPEAKER pro tempore. The gentleman from Indiana asks unanimous consent to extend his remarks in the RECORD by printing therein an address delivered by Senator WATSON of Indiana before the Republican State convention held in Indiana a few days ago. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, has this address been heretofore printed in the RECORD at the request of a colleague of the gentleman in the other body?

Mr. ELLIOTT. It has not.

Mr. GARNER. Mr. Speaker, reserving the right to object, did not Senator WATSON repeat that speech in the Senate after he got back here?

Mr. ELLIOTT. Not that I know of.

Mr. GARNER. I read something of his in the RECORD that had some semblance to a newspaper report of the speech that he made at Indianapolis, and I am wondering if he had already repeated the speech in the Senate.

Mr. WINGO. Oh, I think he delivered the speech in the Senate first.

Mr. STAFFORD. The gentleman does not mean to cast any reflection upon the Senator from Indiana by insinuating that he has only one speech that he can deliver?

Mr. GARNER. They were so similar they looked like twins.

Mr. WINGO. Perhaps he tried it on the Senate first.

CALL OF THE HOUSE.

Mr. SPROUL. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER pro tempore. The gentleman from Illinois makes the point of order that there is no quorum present. It is clear that there is no quorum present.

Mr. MONDELL. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The SPEAKER pro tempore. The Doorkeeper will close the doors, the Sergeant at Arms will bring in absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Anderson	Dickinson	Kline, N. Y.	Rosenbloom
Andrew, Mass.	Drane	Knight	Rossdale
Ansorge	Drewry	Kreider	Rouse
Appleby	Driver	Kunz	Rucker
Arentz	Dunn	Langley	Ryan
Barkley	Dupré	Larson, Minn.	Sabath
Beck	Dyer	Lee, N. Y.	Sanders, Ind.
Bell	Edmonds	London	Sears
Benham	Evans	Luce	Shaw, Ill.
Bixler	Fairchild	McClintic	Shreve
Black	Fess	McKenzie	Siegel
Bland, Ind.	Fields	McLaughlin, Nebr.	Sinclair
Bland, Va.	Fish	McLaughlin, Pa.	Slemp
Blanton	Fordney	Maloney	Smith, Mich.
Boies	Foster	Mann	Snell
Bond	Frear	Mansfield	Snyder
Bowers	Freeman	Mead	Steenerson
Brennan	French	Michaelson	Stevenson
Britten	Fuller	Miller	Stiness
Brooks, Pa.	Gilbert	Mills	Stoll
Buchanan	Glynn	Moore, Ill.	Strong, Pa.
Burke	Goldsborough	Morgan	Sullivan
Burtness	Goodykoontz	Morin	Swank
Burton	Gorman	Mott	Sweet
Campbell, Kans.	Gould	Mudd	Tague
Cantrill	Graham, Pa.	Murphy	Taylor, Ark.
Carter	Green, Iowa	Nelson, J. M.	Taylor, Tenn.
Chandler, Okla.	Griest	O'Brien	Temple
Clague	Hayden	O'Connor	Ten Eyck
Clark, Fla.	Hersey	Olpp	Tilson
Classon	Hicks	Osborne	Treadway
Cockran	Hogan	Padgett	Tyson
Codd	Hooker	Paige	Upshaw
Cole, Iowa	Husted	Park, Ga.	Vaile
Cole, Ohio	Ireland	Parks, Ark.	Vare
Connell	Jefferis, Nebr.	Patterson, N. J.	Volk
Cooper, Ohio	Johnson, Wash.	Perkins	Walters
Cooper, Wis.	Jones, Pa.	Perlman	Ward, N. Y.
Copley	Kahn	Petersen	Wason
Crago	Kelley, Mich.	Rainey, Ala.	Watson
Crowther	Kelly, Pa.	Ramseyer	Weaver
Cullen	Kendall	Rayburn	Williams, Ill.
Darrow	Kennedy	Reber	Winslow
Davis, Minn.	Kiess	Reed, N. Y.	Woods, Va.
Deal	Kindred	Riordan	Woodyard
Dempsey	Kinkaid	Robertson	Wurzbach
Denison	Kitchin	Robsion	Wyant

The SPEAKER pro tempore. On this call 240 Members have answered to their names, a quorum.

Mr. LONGWORTH. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

EXTENSION OF REMARKS.

The SPEAKER pro tempore. The gentleman from Indiana asks unanimous consent to extend his remarks in the RECORD by inserting therein a speech delivered by Senator JAMES E. WATSON, of Indiana, at the Republican State convention held in Indiana a few days ago. Is there objection?

Mr. MOORE of Virginia. Mr. Speaker, reserving the right to object, I have noticed that several times speeches have been published in duplicate. They have been published in the RECORD by the action of the House and also by the action of the Senate. I am wondering whether the oration of the Senator from Indiana has not already been printed in the RECORD by order of the Senate.

Mr. ELLIOTT. It has not.

Mr. MOORE of Virginia. I have no objection.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. ELLIOTT. Mr. Speaker, in accordance with the leave granted me by unanimous consent to-day, I extend my remarks in the RECORD by printing a speech delivered by Senator JAMES E. WATSON, of Indiana, before the Republican State convention of